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STANDARD INDUSTRIAL CLASSIFICATION:	[]
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BUSINESS ADDRESS:

STREET 1:	22ND FLOOR, ONE OLIVER PLAZA
STREET 2:	210 SIXTH AVENUE
CITY:	PITTSBURGH
STATE:	PA
ZIP:	15222
BUSINESS PHONE:	4124340500

MAIL ADDRESS:

STREET 1:	FREEMARKETS ONLINE, INC.
STREET 2:	22ND FL, ONE OLIVER PLAZA, 210-6TH AVE
CITY:	PITTSBURGH
STATE:	PA
ZIP:	15222

FORMER COMPANY:

FORMER CONFORMED NAME:	FREEMARKETS ONLINE INC
DATE OF NAME CHANGE:	19990809

</SEC-HEADER>

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<TYPE>S-1

<SEQUENCE>1

<DESCRIPTION>FREEMARKETS, INC.

<TEXT>

<PAGE> 1

REGISTRATION NO. 333-

You may inspect our registration statement and the attached exhibits and schedules without charge at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, NY 10048, and at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. You may obtain copies of all or any part of our registration statement from the Commission upon payment of prescribed fees. You may also inspect reports, proxy and information statements and other information that we file electronically with the Commission without charge at the Commission's Internet site, <http://www.sec.gov>.

We intend to furnish our stockholders with annual reports containing financial statements audited by our independent auditors and to make available to our stockholders quarterly reports containing unaudited financial data for each of the first three quarters of each fiscal year.

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FREEMARKETS, INC.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
of FreeMarkets, Inc. and Subsidiaries:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, stockholders' equity and cash flows present fairly, in all material respects, the financial position of FreeMarkets, Inc. and Subsidiaries (the Company) as of December 31, 1997 and 1998 and June 30, 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 and for the six-month period ended June 30, 1999, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with

generally accepted auditing standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania
July 30, 1999, except for Notes 2 and 9, as to
which the date is September 8, 1999

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FREEMARKETS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

<TABLE>

<CAPTION>

	DECEMBER 31,	
	1997	1998
	-----	-----
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents.....	\$1,998,884	\$1,655,932
Accounts receivable, net of allowance for doubtful accounts of \$20,000, \$25,000 and \$114,300 as of December 31, 1997, 1998 and June 30, 1999, respectively.....	1,060,654	3,939,305
Other current assets.....	7,532	83,463
	-----	-----
Total current assets.....	3,067,070	5,678,700
Property and equipment, net.....	177,784	1,062,392
Other assets, net.....	91,149	128,456
	-----	-----
Total assets.....	\$3,336,003	\$6,869,548
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.....	\$ 170,808	\$ 738,976
Accrued incentive compensation.....	--	489,995
Other current liabilities.....	55,038	623,026
Current portion of long-term debt.....	58,332	12,368
	-----	-----
Total current liabilities.....	284,178	1,864,365
Long-term debt.....	--	413,018
	-----	-----
Total liabilities.....	284,178	2,277,383

Commitments and contingencies

Stockholders' equity:

Convertible preferred stock, \$.01 par value, 50,000,000 shares authorized; 11,383,800 shares issued and outstanding as of December 31, 1997 and 1998 and 13,689,234 shares issued and outstanding as of June 30, 1999.....	37,946	37,946
Common stock, \$.01 par value, 200,000,000 shares authorized; 10,970,400 and 11,805,000 shares issued and outstanding as of December 31, 1997 and 1998, respectively, and 14,244,000 shares issued and outstanding as of June 30, 1999.....	36,568	39,350
Additional capital.....	5,993,000	7,296,811
Unearned stock-based compensation.....	--	--
Stock purchase warrants.....	398,000	398,000
Accumulated deficit.....	(3,413,689)	(3,179,942)
Total stockholders' equity.....	3,051,825	4,592,165
Total liabilities and stockholders' equity.....	\$3,336,003	\$6,869,548

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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FREEMARKETS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>

<CAPTION>

	YEAR ENDED DECEMBER 31,			
	1996	1997	1998	
<S>	<C>	<C>	<C>	<
Revenues.....	\$ 408,820	\$ 1,783,180	\$7,801,250	\$
Cost of revenues.....	505,691	1,148,994	4,258,403	
Gross (loss) profit.....	(96,871)	634,186	3,542,847	
Operating costs:				
Research and development.....	394,266	291,826	841,874	
Sales and marketing.....	320,935	585,511	656,183	
General and administrative.....	629,620	837,357	2,025,899	
Total operating costs.....	1,344,821	1,714,694	3,523,956	

Operating (loss) income.....	(1,441,692)	(1,080,508)	18,891	
Other income (expense), net.....	10,504	19,808	214,856	
	-----	-----	-----	-
Net (loss) income.....	\$ (1,431,188)	\$ (1,060,700)	\$ 233,747	\$
	=====	=====	=====	=
Earnings per share:				
Basic.....	\$ (.14)	\$ (.10)	\$.02	\$
	=====	=====	=====	=
Diluted.....	\$ (.14)	\$ (.10)	\$.01	\$
	=====	=====	=====	=

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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FREEMARKETS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

	PREFERRED STOCK	COMMON STOCK	ADDITIONAL CAPITAL	UNEARNED STOCK-BASED COMPENSATION	PU WA
	-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1995.....	--	\$ 171	\$ 1,025,255	--	
Employee common stock purchases, net of offering costs of \$625...	--	4	92,701	--	
Issuance of Series A-1 convertible preferred stock, net of offering costs of \$188,544.....	\$ 67	--	1,511,389	--	
Issuance of Series A-1 stock purchase warrants.....	--	--	(614,000)	--	\$
Issuance of Series B convertible preferred stock, net of offering costs of \$57,300.....	18	--	515,235	--	
Issuance of Series B stock purchase warrants.....	--	--	(18,000)	--	
Net loss.....	--	--	--	--	
	-----	-----	-----	-----	---
Balance at December 31, 1996.....	85	175	2,512,580	--	
Employee common stock purchases, net of offering costs of \$600...	--	9	265,482	--	
Options exercised.....	--	--	5,934	--	
Issuance of Series B convertible preferred stock, net of offering					

costs of \$95,303.....	21	--	602,190	--	
Issuance of Series B stock purchase warrants.....	--	--	(69,000)	--	
Series A-1 stock purchase warrants exercised, net of offering costs of \$170,289.....	53	--	2,029,808	--	(
Issuance of Series A-2 convertible preferred stock, net of offering costs of \$100,323.....	31	--	907,146	--	
Issuance of Series A-2 stock purchase warrants.....	--	--	(187,000)	--	
200-for-1 stock split.....	37,756	36,384	(74,140)	--	
Net loss.....	--	--	--	--	
	-----	-----	-----	-----	--
Balance at December 31, 1997.....	37,946	36,568	5,993,000	--	
Employee common stock purchases, net of offering costs of \$14,173.....	--	2,600	1,283,227	--	
Options exercised.....	--	182	20,584	--	
Net income.....	--	--	--	--	
	-----	-----	-----	-----	--
Balance at December 31, 1998.....	37,946	39,350	7,296,811	--	
Stock purchase warrants exercised.....	--	8,030	1,664,845	--	(
Options exercised.....	--	100	16,150	--	
Issuance of Series C preferred stock, net of offering cost of \$738,450.....	7,684	--	10,250,792	--	
Unearned stock-based compensation.....	--	--	727,396	\$ (727,396)	
3-for-1 stock split.....	91,262	94,960	(186,222)	--	
Net loss.....	--	--	--	--	
	-----	-----	-----	-----	--
Balance at June 30, 1999.....	\$136,892	\$142,440	\$19,769,772	\$ (727,396)	\$
	=====	=====	=====	=====	==

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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FREEMARKETS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>

<CAPTION>

YEAR ENDED DECEMBER 31,		
1996	1997	1998
-----	-----	-----

<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net (loss) income.....	\$ (1,431,188)	\$ (1,060,700)	\$ 233,747
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Depreciation and amortization.....	49,185	90,408	191,052
Provision for bad debts.....	--	20,000	5,000
(Gain) loss on disposal of property and equipment.....	--	--	(3,443)
Cash (used in) provided by changes in:			
Accounts receivable.....	(141,209)	(931,866)	(2,883,651)
Other assets.....	535	(3,259)	(78,516)
Accounts payable.....	(44,899)	30,595	320,437
Other liabilities.....	(5,591)	37,252	1,057,983
	-----	-----	-----
Net cash used in operating activities.....	(1,573,167)	(1,817,570)	(1,157,391)
	-----	-----	-----
Cash flows from investing activities:			
Acquisitions of property and equipment, net.....	(71,381)	(85,200)	(775,598)
Software development costs.....	(58,714)	--	--
Patent and trademark costs.....	--	--	(83,610)
(Purchase) redemption of restricted cash equivalent.....	(35,000)	35,000	--
	-----	-----	-----
Net cash used in investing activities.....	(165,095)	(50,200)	(859,208)
	-----	-----	-----
Cash flows from financing activities:			
Proceeds from debt.....	42,000	58,332	444,000
Repayment of debt.....	(7,000)	(35,000)	(76,946)
Proceeds from issuance of preferred stock and exercise of stock purchase warrants.....	2,026,709	3,049,249	--
Proceeds from issuance of common stock...	92,705	271,425	1,285,827
Options exercised.....	--	--	20,766
	-----	-----	-----
Net cash provided by financing activities.....	2,154,414	3,344,006	1,673,647
	-----	-----	-----
Net change in cash and cash equivalents.....	416,152	1,476,236	(342,952)
Cash and cash equivalents at beginning of period.....	106,496	522,648	1,998,884
	-----	-----	-----
Cash and cash equivalents at end of period.....	\$ 522,648	\$ 1,998,884	\$ 1,655,932
	=====	=====	=====
Supplemental disclosure:			
Cash paid for interest.....	\$ 11,164	\$ 2,190	\$ 27,783
	=====	=====	=====
Supplemental non-cash disclosure:			
Fixed asset additions included in accounts payable.....	\$ 5,840	\$ --	\$ 247,731
	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS

FreeMarkets, Inc. (the "Company"), formerly FreeMarkets OnLine, Inc., was formed in March 1995. The Company creates customized business-to-business online auctions for the world's largest buyers of industrial parts, raw materials and commodities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: FreeMarkets SA/NV, which is based in Brussels, Belgium, and FreeMarkets Investment Company, Inc., which is based in Wilmington, Delaware. All intercompany transactions have been eliminated in consolidation.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The unaudited consolidated statements of operations and cash flows for the six-month period ended June 30, 1998, in the opinion of management, have been prepared on the same basis as the audited consolidated financial statements and include all adjustments necessary for the fair presentation of the results of the interim period. All adjustments reflected in the consolidated financial statements are of a normal recurring nature. The data disclosed in the notes to the consolidated financial statements for this period is also unaudited.

CASH AND CASH EQUIVALENTS

The Company considers all unrestricted, highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. Interest income included in other income (expense) earned on these investments for 1996, 1997 and 1998 was \$16,200, \$22,800 and \$93,400, respectively, and for the six-month periods ended June 30, 1998 and 1999 was \$49,200 and \$132,200, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and depreciated on the straight-line method over their estimated useful lives. Repairs and maintenance expenditures, which are not considered improvements and do not extend the useful life of the property and equipment, are expensed as incurred. The cost and related accumulated depreciation applicable to property and equipment no longer in service are eliminated from the accounts and any gain or loss is included in operations.

OTHER ASSETS

Other assets consist principally of capitalized patent and trademark costs

and capitalized software development costs, both of which are being amortized using the straight-line method over seventeen and three years, respectively. Qualified internally developed software costs are capitalized subsequent to the determination of technological feasibility; such capitalization continues until the product becomes available for general release. The carrying value of patent and trademark costs was \$4,500, \$86,600 and \$204,400 at December 31, 1997 and 1998 and June 30, 1999, respectively. The carrying value of software development costs was \$71,100, \$23,700 and \$0 at December 31, 1997 and 1998 and June 30, 1999, respectively. Amortization expense on patent and trademark costs and software development costs was approximately \$24,000 in 1996, \$47,700 in 1997, \$48,900 in 1998 and \$27,700 in the six-month period ended June 30, 1999.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

IMPAIRMENT OF LONG-LIVED ASSETS

The carrying values of long-lived assets, which include property and equipment and patent and trademark costs, are evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying assets. Adjustments are made if the sum of expected future net cash flows is less than carrying value.

REVENUE RECOGNITION

The Company recognizes revenue from fixed monthly fees for providing services to clients ratably as those services are provided over the related contract periods. In the case of contracts with performance incentive payments based on auction volume and/or savings generated, as defined in the respective contracts, revenue is recognized as those thresholds are achieved. Commission revenue is recognized as the direct materials and commodities that are the subject of the Company's auctions are shipped from the winning suppliers to the buyers.

REVENUE CONCENTRATION

In 1998, 77% of revenues were concentrated with two clients. For the six-month period ended June 30, 1999, 65% of revenues were concentrated with the same two clients. The Company has long-term contracts with both clients, which extend through December 2000 and contain additional renewal options available at the clients' discretion. Both contracts can be canceled by the client upon notice prior to December 2000.

COST OF REVENUES

Cost of revenues consists primarily of the expenses related to staffing and operation of the Company's market making service organization and Market Operations Center. Staffing costs include a proportional allocation of overhead costs.

RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred, and include costs to develop, enhance and manage the Company's proprietary technology.

STOCK-BASED COMPENSATION

The Company accounts for the grant of stock options to employees in accordance with Statement of Financial Accounting Standard ("SFAS") No. 123, "Accounting for Stock-Based Compensation". SFAS 123 gives companies the option to adopt the fair value method for expense recognition of employee stock options or to continue to account for stock options and stock-based awards using the intrinsic value method, as outlined under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees". The Company has elected to continue to apply the intrinsic value method to account for employee stock options and discloses the pro forma effect as if the fair value method had been applied in Note 8. Expense associated with stock-based compensation is amortized on an accelerated basis over the vesting period of each individual award.

PENNSYLVANIA OPPORTUNITY GRANT

During 1998, the Company received a \$150,000 Opportunity Grant (the "PA Grant") from the Department of Community and Economic Development of the Commonwealth of Pennsylvania. The

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

PA Grant provided for working capital funds to assist the Company during a period of accelerated growth. The PA Grant is included in other income (expense), net in the 1998 consolidated statement of operations.

INCOME TAXES

Deferred income taxes are recorded using the liability method. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

FOREIGN CURRENCY TRANSLATION

The local currency is the functional currency for the Company's operations outside of the United States. Assets and liabilities are translated using the exchange rate at the balance sheet date. Revenues, expenses, gains and losses are translated at the exchange rate on the date those elements are recognized.

EARNINGS PER SHARE

The Company computes earnings per share in accordance with SFAS No. 128, "Earnings per Share". Under the provisions of SFAS No. 128, basic earnings per share is computed by dividing the net (loss) income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the net (loss) income for the period by the weighted average number of common and dilutive common share equivalents outstanding during the period. Common share equivalents consist of the common shares issuable upon the exercise of stock options and warrants (using the treasury stock method) and upon the conversion of convertible preferred stock (using the if-converted method). Common share equivalents are excluded from the calculation if their effect is antidilutive.

The following table sets forth the computation of earnings per share:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,			SIX
	1996	1997	1998	1998
<S>	<C>	<C>	<C>	<C>
Numerator:				
Net (loss) income.....	\$ (1,431,188)	\$ (1,060,700)	\$ 233,747	\$ (256)
	=====	=====	=====	=====
Denominator:				
Weighted average common shares..	10,316,599	10,618,481	11,191,670	10,985
(Denominator for basic calculation)				
Weighted average effect of dilutive securities:				
Convertible preferred stock...	--	--	11,383,800	
Stock options and warrants....	--	--	4,201,141	
	-----	-----	-----	-----
Denominator for diluted calculation.....	10,316,599	10,618,481	26,776,611	10,985
	=====	=====	=====	=====
Earnings per share:				
Basic.....	\$ (.14)	\$ (.10)	\$.02	\$
	=====	=====	=====	=====
Diluted.....	\$ (.14)	\$ (.10)	\$.01	\$
	=====	=====	=====	=====

</TABLE>

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

For 1996 and 1997, 2,878,952 and 6,321,439 common share equivalents, respectively, were excluded because their effect was antidilutive. For the six-month periods ended June 30, 1998 and 1999, 13,085,364 and 20,259,394 common share equivalents, respectively, were excluded because their effect was antidilutive.

Pro forma earnings per share is computed using the weighted average number of shares of common stock outstanding, including common share equivalents from the convertible preferred stock (using the if-converted method), which will automatically convert into common stock upon an initial public offering as if converted at the original date of issuance, for both basic and diluted earnings per share, even if inclusion is antidilutive. The Series D convertible preferred stock and warrants discussed in Note 9 have also been included as if they were outstanding at the beginning of each period.

The following table sets forth the computation of pro forma earnings per share:

<TABLE>
<CAPTION>

YEAR ENDED DECEMBER 31,	SIX MON
1998	JUN
-----	-----
	1

<S>	<C>	<C>
Numerator:		
Net (loss) income.....	\$ 233,747	\$ (3)
	=====	=====
Denominator:		
Weighted average common shares.....	24,937,674	27
(Denominator for basic calculation)		
Weighted average effect of dilutive securities:		
Stock options and warrants.....	4,201,141	
	-----	-----
Denominator for diluted calculation.....	29,138,815	27
	=====	=====
Pro forma earnings per share:		
Basic.....	\$.01	\$
	=====	=====
Diluted.....	\$.01	\$
	=====	=====
</TABLE>		

For the six-month period ended June 30, 1999, 7,971,252 common share equivalents were excluded because their effect was antidilutive.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENT

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133, which is effective, as amended, for all quarters in fiscal years beginning after June 15, 2000, establishes accounting and reporting standards for derivative financial instruments and hedging activities related to those instruments, as well as other hedging activities. As the Company does not currently engage in derivative or hedging activities, the adoption of this standard is not expected to have a significant impact on the Company's consolidated financial statements.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

RECLASSIFICATIONS

Certain amounts in previously issued financial statements have been reclassified to conform to the 1999 consolidated financial statement presentation.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment (and their related useful lives) consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 31,	
	1997	1998
<S>	<C>	<C>
Computer and office equipment (3 to 5 years).....	\$192,440	\$ 884,920
Furniture and fixtures (5 years).....	48,621	293,335
Leasehold improvements (5 years).....	16,290	95,982
	257,351	1,274,237
Less accumulated depreciation.....	79,567	211,845
	\$177,784	\$1,062,392
	=====	=====

</TABLE>

Depreciation expense was approximately \$25,200 in 1996, \$42,700 in 1997, \$142,200 in 1998 and \$295,800 in the six-month period ended June 30, 1999. In connection with the Company's relocation to new office space in 1999, property and equipment with net book value of approximately \$118,800 was disposed of related to the old office facility.

NOTE 4. LONG-TERM DEBT

In February 1998, the Company entered into a Line of Credit Agreement (the "Line of Credit"), which provided for borrowings of up to \$750,000. The Line of Credit originally expired in May 1999, with interest accruing at the lender's prime rate plus 1.0%. A non-refundable commitment fee equal to 1.0% per annum of the average daily unused portion of the Line of Credit was payable quarterly. As of December 31, 1998, there was \$300,000 outstanding under the Line of Credit, which has been classified as long-term debt due to the February 1999 refinancing under the new facility discussed below.

The Line of Credit contained restrictive covenants, including a limitation on incurring additional indebtedness and a requirement that the Company maintain a tangible net worth, as defined, of \$500,000. The Company pledged substantially all of its assets as collateral for the Line of Credit.

In February 1999, the Company settled all outstanding amounts under the Line of Credit and terminated this agreement. At this time, the Company entered into a Revolving Promissory Note (the "Revolver") and an Equipment Term Note (the "Equipment Term Note"), both under the terms of a Loan and Security Agreement (the "Loan and Security Agreement"). The Revolver provides for borrowings of up to \$2,000,000, bears interest at the lender's prime rate plus 0.75% (8.50% at June 30, 1999), and expires in February 2000. As of June 30, 1999, no amounts were outstanding under the Revolver.

The Equipment Term Note provides for total borrowings of up to \$2,000,000 that may be drawn from February through August 1999. Monthly interest-only payments are due and payable on any outstanding advances during that time period. In September 1999, the advances under the Equipment Term Note automatically convert to a note payable with 36 equal monthly principal and interest installments, which are due and payable through August 2002. The Equipment Term Note bears interest at the lender's prime rate plus 1.0%. As of June 30, 1999, there was \$2,000,000 outstanding under the Equipment Term Note.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Loan and Security Agreement contains restrictive covenants, including a limitation on incurring additional indebtedness and paying dividends, as well as a requirement that the Company satisfy various financial conditions. The Company has pledged substantially all of its tangible assets as collateral for the Loan and Security Agreement.

In March 1998, the Company entered into a \$144,000 loan with the City of Pittsburgh Urban Redevelopment Authority (the "URA Loan"), with interest accruing at 6.8%. The URA Loan was to originally mature in March 2003. Proceeds from the URA Loan were required to be used for local office space expansion. The URA Loan was repaid in February 1999 with proceeds from the Equipment Term Note.

Interest expense for 1996, 1997 and 1998 was \$11,200, \$2,200 and \$27,800, respectively, and for the six-month periods ended June 30, 1998 and 1999 was \$13,100 and \$63,300, respectively. The weighted average interest rate for 1996, 1997 and 1998 was 10.8%, 3.7% and 6.9%, respectively, and for the six-month periods ended June 30, 1998 and 1999 was 8.5% and 8.0%, respectively. Based on market rates currently available, the carrying value of the Company's long-term debt as of June 30, 1999 approximates fair value.

NOTE 5. COMMITMENTS AND CONTINGENCIES

The Company leases office space and computer and office equipment under operating leases expiring through 2004. In October 1998, the Company entered into a new Office Lease Agreement (the "Lease"), as amended in March 1999, that significantly expands the Company's office space within the city of Pittsburgh, Pennsylvania. The Lease, which provides options for additional expansion within the same building, expires in May 2004.

Operating lease rental expense amounted to approximately \$105,000 in 1996, \$141,000 in 1997, \$279,500 in 1998 and \$297,300 in the six-month period ended June 30, 1999. The following is a schedule of future minimum lease payments under all operating leases through December 31 of each of the following years:

<TABLE>	
<S>	
	<C>
1999.....	\$ 574,000
2000.....	1,228,000
2001.....	1,260,000
2002.....	1,294,000
2003.....	1,329,000
Thereafter.....	537,000

	\$6,222,000
	=====

</TABLE>

NOTE 6. INCOME TAXES

The Company had no income tax provision in 1996, 1997 and the six-month periods ended June 30, 1998 and 1999 since the Company had a net taxable loss in each of those periods. For 1998, the Company's net taxable income was eliminated through the use of net operating loss carryforwards of approximately \$414,000. The tax benefit resulting from the use of these net operating losses was approximately \$166,000.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Deferred tax assets and liabilities consisted of the following:

<TABLE>

<CAPTION>

	DECEMBER 31,	
	1997	1998
<S>	<C>	<C>
Net operating losses.....	\$ 1,348,000	\$ 1,182,0
Research and experimentation credits.....	42,000	111,0
Lease termination fee.....	--	90,0
Other.....	(54,000)	(46,0
Net deferred tax assets.....	1,336,000	1,337,0
Less valuation allowance.....	(1,336,000)	(1,337,0
	\$ --	\$
	=====	=====

</TABLE>

In assessing the realizability of net deferred tax assets, management considers whether it is more likely than not that some portion of the net deferred tax assets will not be realized. The ultimate realization of net deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management has established a full valuation allowance against the net deferred tax assets at December 31, 1997 and 1998 and at June 30, 1999, since the realization of these assets in future periods is uncertain.

As of June 30, 1999, the Company had available federal net operating loss carryforwards of approximately \$6,771,000 and state net operating loss carryforwards of approximately \$6,206,000. These net operating loss carryforwards may be used to offset future federal and state income taxes through 2019 and 2009, respectively. As a result of the Series A-1 offering discussed in Note 7 and concurrent ownership change, Section 382 of the Internal Revenue Code limits the federal net operating losses incurred prior to May 1996, which amounted to \$1,298,000, available to the Company to approximately \$247,000 per year. Any unused annual limitation may be carried forward to future years for the balance of the federal net operating loss carryforward period. In addition, the Company has research and experimentation credit carryforwards of approximately \$185,000 available to offset future federal tax liabilities through 2019.

NOTE 7. STOCKHOLDERS' EQUITY

In June 1999, the Company amended its Certificate of Incorporation to increase the preferred shares authorized for issuance from 20,000,000 to 50,000,000 and the common shares authorized for issuance from 20,000,000 to 200,000,000.

STOCK SPLITS

In January 1998, the Company's Board of Directors declared a 200-for-1

stock split in the form of a stock dividend on the then-outstanding shares of preferred stock and common stock. The stock split was reflected in 1997 and resulted in a \$37,756 reclassification from additional capital to preferred stock and a \$36,384 reclassification from additional capital to common stock representing the aggregate par value of the shares issued under the stock split.

In June 1999, the Company's Board of Directors declared a 3-for-1 stock split in the form of a stock dividend on the then-outstanding shares of preferred stock and common stock. The stock split resulted in a \$91,262 reclassification from additional capital to preferred stock and a \$94,960 reclassification from additional capital to common stock representing the aggregate par value of the shares issued under the stock split.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

All references to the number of shares and per share amounts have been restated to reflect both stock splits.

CONVERTIBLE PREFERRED STOCK

In May 1996, the Company completed an offering of 4,019,400 shares of Series A-1 convertible preferred stock ("Series A-1") at \$.43 per share, with 3,157,200 callable warrants to purchase shares of the Company's preferred stock at an exercise price of \$.54 per share. The proceeds from the offering totaled \$1,511,456, net of offering costs of \$188,544.

In December 1996, the Company commenced an offering of 2,347,200 shares of Series B convertible preferred stock ("Series B") at \$.54 per share. Total proceeds from the offering, which was completed in July 1997, were \$1,117,464, net of offering costs of \$152,603.

In October 1997, the Company exercised its right to call the 3,157,200 warrants issued pursuant to the Series A-1 offering. In addition, the Company commenced an offering to sell an additional 1,860,000 shares of Series A-2 convertible preferred stock ("Series A-2") at \$.54 per share. The warrant call and the offering were completed in December 1997, resulting in total proceeds of \$2,447,038, net of offering costs of \$270,612.

In April 1999, the Company completed an offering of 2,305,434 shares of Series C convertible preferred stock ("Series C") at \$4.77 per share. Total proceeds from the offering were \$10,258,476, net of offering costs of \$738,450.

The Company's Series A-1, Series A-2, Series B and Series C preferred stock are convertible into common stock based upon an initial conversion ratio of one-to-one, which is subject to adjustment as defined in the Company's Certificate of Incorporation and the respective certificates of designations that created the preferred stock. All series of preferred stock will be converted automatically into an equal number of shares of common stock immediately preceding the closing of an underwritten initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended. The holders of Series A-1 and A-2 preferred stock, collectively as a group, have the right to elect one director, while the holders of Series B and C preferred stock and all holders of common stock, voting as a class, have the right to elect the remaining directors. The holders of preferred stock also have a liquidation preference equal to the purchase price of the preferred stock, the right to receive dividends prior to any junior preferred

stock or common stock, and certain antidilution protections, all as defined in the Company's Certificate of Incorporation and the respective certificates of designations that created the preferred stock.

The Company has granted preemptive rights to the holders of Series A-1, A-2 and B preferred stock, as well as to four holders of common stock. In the event that the Company seeks to raise additional capital, these rights allow holders, under certain circumstances, to maintain their percentage ownership of the Company. All preemptive rights terminate upon an initial public offering of the Company's common stock.

STOCK PURCHASE WARRANTS

In addition to the warrants issued in connection with the Series A-1 offering that were subsequently exercised in the Series A-2 offering, the Company granted a total of 2,604,600 warrants at an exercise price of \$.54 per share to the placement agent as compensation for services rendered in connection with the Series A-1, Series A-2 and Series B offerings. Those warrants issued to the placement agent, which do not have a call feature, expire seven years from the date of issuance.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The portion of the proceeds received from the Series A-1, Series A-2 and Series B preferred stock offerings representing the value assigned to the warrants are reflected as stock purchase warrants in the stockholders' equity section of the accompanying balance sheets. At the time of exercise or expiration, the Company will transfer the value assigned to the warrants to additional capital.

In March 1999, the placement agent exercised 2,409,000 warrants, resulting in total proceeds of \$1,304,875 and a \$368,000 transfer of stock purchase warrants to additional capital.

COMMON STOCK

In 1996, the Board of Directors reserved 240,000 shares of common stock to be issued pursuant to a qualified stock purchase plan (the "1996 Purchase Plan") under which employees could purchase shares of common stock of the Company. During 1996, employees purchased 219,600 shares of common stock at \$.43 per share resulting in total proceeds of \$92,705, net of offering costs of \$625.

In 1997, the Board of Directors reserved an additional 600,000 shares of common stock to be issued pursuant to the 1996 Purchase Plan. During 1997, employees purchased 531,000 shares of common stock at \$.54 per share resulting in total proceeds of \$287,025, net of offering costs of \$600. No further shares may be purchased under the 1996 Purchase Plan.

In 1998, the Board of Directors reserved 780,000 shares of common stock, which included the remaining unissued shares under the 1996 Purchase Plan, to be issued pursuant to a qualified stock purchase plan (the "1998 Purchase Plan") under which employees could purchase shares of common stock of the Company. During 1998, employees purchased 780,000 shares of common stock at \$1.67 per share resulting in total proceeds of \$1,285,827, net of offering costs of \$14,173. No further shares may be purchased under the 1998 Purchase Plan.

The following is a summary of share activity for all classes of stock:

<TABLE>
<CAPTION>

	PREFERRED STOCK	COMMON STOCK
<S>	<C>	<C>
Outstanding at December 31, 1995.....	--	10,243,800
Shares issued.....	5,077,200	219,600
Stock purchase warrants issued.....	--	--
Outstanding at December 31, 1996.....	5,077,200	10,463,400
Shares issued, net.....	3,149,400	493,200
Stock purchase warrants issued.....	--	--
Stock purchase warrants exercised.....	3,157,200	--
Options exercised.....	--	13,800
Outstanding at December 31, 1997.....	11,383,800	10,970,400
Shares issued.....	--	780,000
Options exercised.....	--	54,600
Outstanding at December 31, 1998.....	11,383,800	11,805,000
Shares issued.....	2,305,434	--
Stock purchase warrants exercised.....	--	2,409,000
Options exercised.....	--	30,000
Outstanding at June 30, 1999.....	13,689,234	14,244,000

</TABLE>

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

NOTE 8. EMPLOYEE BENEFIT PLANS

401(k) SAVINGS PLAN

In January 1999, the Company adopted a savings plan (the "Savings Plan") that qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code. Under the Savings Plan, eligible employees may contribute a certain percentage of their pre-tax earnings up to the annual limit set by the Internal Revenue Service. The Company is not required to contribute to the Savings Plan and has made no contributions since its inception.

STOCK OPTION PLANS

Prior to March 1998, the Company maintained a stock incentive plan (the "1996 Option Plan"), which provided for the issuance of stock options and stock appreciation rights to employees. Under the 1996 Option Plan, options were granted at prices determined by the Board of Directors. The options granted are exercisable in accordance with a vesting schedule, not to exceed 10 years. No further stock options may be granted under the 1996 Option Plan.

In March 1998, the Company adopted the 1998 Stock Option Plan (the "1998 Option Plan"). All available options in the 1996 Option Plan were transferred into the 1998 Option Plan. All options outstanding under the 1996 Option Plan as

of the termination date continue in effect under their original terms. The 1998 Option Plan provides for the issuance of stock options to employees, directors, consultants and advisors, which are granted at prices determined by the Board of Directors. The options granted are exercisable in accordance with a vesting schedule, not to exceed 10 years. Certain executives hold options that contain limited accelerated vesting, as defined, in the event of an initial public offering or sale of the Company.

In June 1999, the Company adopted an Amended and Restated Stock Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan amended the 1998 Option Plan to increase the amount of unissued shares reserved for the future issuance of stock options, as well as add certain change-of-control provisions. As of June 30, 1999, 15,450,000 stock options were authorized for issuance.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The following is a summary of stock option activity:

<TABLE>

<CAPTION>

	NUMBER OF OPTIONS	EXERCISE PRICE
	-----	-----
<S>	<C>	<C>
Outstanding at December 31, 1995.....	--	
Granted.....	867,000	\$.33 - \$.
Outstanding at December 31, 1996.....	867,000	.33 - .
Granted.....	564,000	. .
Forfeited.....	(354,600)	.33 - .
Exercised.....	(13,800)	. .
Outstanding at December 31, 1997.....	1,062,600	.33 - .
Granted.....	6,150,900	.54 - 1.
Forfeited.....	(44,700)	.33 - 1.
Exercised.....	(54,600)	.33 - .
Outstanding at December 31, 1998.....	7,114,200	.33 - 1.
Granted.....	1,823,550	1.67 - 4.
Forfeited.....	(128,250)	.54 - 4.
Exercised.....	(30,000)	. .
Outstanding at June 30, 1999.....	8,779,500	.33 - 4.
	=====	
Exercisable at June 30, 1999.....	780,897	.33 - .
Shares reserved for future options as of June 30, 1999....	6,572,100	N/A

</TABLE>

The following is a summary of the options outstanding as of June 30, 1999:

<TABLE>
<CAPTION>

	NUMBER OF OPTIONS	EXERCISE PRICE
	-----	-----
<S>	<C>	<C>
	532,800	\$.33 - \$.
	1,498,500	.
	4,038,000	1.
	1,155,000	1.
	42,000	2.
	1,513,200	4.

	8,779,500	
	=====	

</TABLE>

All options were granted at exercise prices determined by the Board of Directors. The weighted average exercise price and the weighted average remaining contractual life for options outstanding at June 30, 1999 was \$1.67 and 8.9 years, respectively.

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

If compensation costs had been recognized pursuant to SFAS No. 123, the Company's net (loss) income and earnings per share would have been changed to the pro forma amounts shown below:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1996	1997	1998
	-----	-----	-----
<S>	<C>	<C>	<C>
Net (loss) income:			
As reported.....	\$ (1,431,188)	\$ (1,060,700)	\$ 233,747
Pro forma.....	(1,466,066)	(1,113,771)	(208,581)
Earnings per share:			
Basic:			
As reported.....	\$ (.14)	\$ (.10)	\$.02
Pro forma.....	(.14)	(.10)	(.02)
Diluted:			
As reported.....	(.14)	(.10)	.01
Pro forma.....	(.14)	(.10)	(.02)

</TABLE>

The weighted average fair value per option granted was \$.10, \$.14, \$.23 and \$.94 for 1996, 1997 and 1998 and for the six-month period ended June 30, 1999, respectively. The fair value of each option grant according to SFAS No. 123 is estimated on the date of grant using the Black-Scholes pricing model with the following assumptions:

<TABLE>	
<S>	<C>
Weighted average risk-free interest rate.....	5-6%
Expected life (number of years).....	5
</TABLE>	

NOTE 9. SUBSEQUENT EVENTS

INITIAL PUBLIC OFFERING

In September 1999, the Board of Directors authorized the filing of a registration statement with the Securities and Exchange Commission that would permit the Company to sell shares of common stock in connection with a proposed initial public offering (the "IPO"). Immediately prior to consummation of the IPO, all of the outstanding shares of convertible preferred stock, including the Series D shares and Series D warrants discussed below, will automatically convert into or be exercised for an equal number of shares of common stock. The result of the conversion and exercise will be a reclassification of preferred stock to common stock.

LONG-TERM DEBT

In September 1999, the Company amended and expanded the Loan and Security Agreement (the "Amended Loan and Security Agreement"). The amendment increases the available borrowings under the Revolver from \$2,000,000 to \$5,000,000 and extends the expiration date to September 2000. Interest will remain at the lenders prime rate plus 0.75%. The amendment also provides for two additional equipment term notes in addition to the existing \$2,000,000 original Equipment Term Note. These notes provide for total borrowings of up to \$3,000,000 that may be drawn from September 1999 through October 2000. Monthly interest-only payments are due and payable on any outstanding advances during that time period. In April and October 2000, these notes automatically convert to notes payable with 36 equal monthly principal and interest installments. These notes bear interest at the lender's prime rate plus 1.0%.

The Amended Loan and Security Agreement modified the existing restrictive covenants, but continued to include a limitation on incurring additional indebtedness and paying dividends, as well

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FREEMARKETS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

as a requirement that the Company satisfy various financial conditions. The Company has pledged substantially all of its tangible assets as collateral for the Amended Loan and Security Agreement.

CONVERTIBLE PREFERRED STOCK

In September 1999, the Company completed an offering of 2,057,773 shares of Series D convertible preferred stock ("Series D") at \$14.80 per share, of which 1,414,552 shares were purchased by a significant client. Net proceeds from the offering were \$30,355,040. In addition, the Company granted 304,431 stock purchase warrants (the "Series D warrants") at an exercise price of \$.01 per share to the same significant client in exchange for release of certain contractual restrictions in their contract with the Company. The Series D warrants must be exercised upon consummation of the IPO. In connection with this grant, the Company recognized expense of \$4,502,534 in September 1999, as

determined using the Black-Scholes pricing model.

EMPLOYEE STOCK PURCHASE PLAN

In September 1999, the Board of Directors adopted and submitted to the stockholders for approval the Company's Employee Stock Purchase Plan (the "1999 Purchase Plan"), under which 500,000 shares have been reserved for issuance, subject to increases as provided in the 1999 Purchase Plan. Under the 1999 Purchase Plan, eligible employees may purchase common stock each year in an amount not to exceed 20% of the employee's annual cash compensation. The purchase price per share will be 85% of the lowest fair value at certain dates defined in the 1999 Purchase Plan. The 1999 Purchase Plan will become effective upon the IPO.

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UNDERWRITING

FreeMarkets and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to the terms of the underwriting agreement, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, Donaldson, Lufkin & Jenrette Securities Corporation and Wit Capital Corporation are the representatives of the underwriters.

<TABLE>

<CAPTION>

Underwriters	Number of Shares
-----	-----
<S>	<C>
Goldman, Sachs & Co.	
Morgan Stanley & Co. Incorporated.....	
Donaldson, Lufkin & Jenrette Securities Corporation.....	
Wit Capital Corporation.....	

Total.....	=====

</TABLE>

If the underwriters sell more shares than the total number set forth in the table above, the underwriters have an option to buy up to an additional

shares from FreeMarkets to cover these sales. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by FreeMarkets. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

Paid by FreeMarkets

<TABLE>

<CAPTION>

No Full

	Exercise -----	Exercise -----
<S>	<C>	<C>
Per Share.....	\$	\$
Total.....	\$	\$
</TABLE>		

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ per share from the initial public offering price. Any of those securities dealers may resell any shares purchased from the underwriters to other brokers or dealers at a discount of up to \$ per share from the initial public offering price. If all the shares are not sold at the initial public offering price, the representatives may change the offering price and the other selling terms.

FreeMarkets and its directors, officers, employees and other holders of substantially all its securities have agreed, with the underwriters, subject to limited exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to this offering, there has been no public market for the common stock. The initial public offering price for the common stock will be negotiated among FreeMarkets and the representatives of the underwriters. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, are FreeMarkets' historical performance, estimates of FreeMarkets' business potential and earnings prospects, an assessment of FreeMarkets' management and the consideration of the above factors in relation to the market valuation of companies in related businesses.

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FreeMarkets has applied to have its common stock approved for quotation on the Nasdaq National Market under the symbol "FMKT".

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while the offering is in progress.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to other underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short-sale covering transactions.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open

market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on the Nasdaq National Market, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

At the request of FreeMarkets, the underwriters have reserved for sale, at the initial public offering price, up to _____ shares of common stock for directors and employees of FreeMarkets.

The number of shares available for sale to the general public will be reduced by the number of reserved shares sold. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as other shares offered hereby.

FreeMarkets estimates that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ _____.

FreeMarkets has agreed to indemnify the underwriters against various liabilities, including liabilities under the Securities Act of 1933.

On February 5, 1999, Goldman, Sachs & Co. committed to invest at least \$6,596,700 in an offering of FreeMarkets' equity securities. That private placement was completed with the sale of 1,382,955 shares of Series C preferred stock to Goldman, Sachs & Co. and two affiliates on April 9, 1999, at a price of \$4.77 per share. These shares automatically convert into the same number of shares of common stock immediately prior to the closing of this offering.

Wit Capital, a member of the National Association of Securities Dealers, Inc., will participate in the offering as one of the representatives of the underwriters. The National Association of Securities Dealers, Inc. approved the membership of Wit Capital on September 4, 1997. Since that time, Wit Capital has acted as an underwriter, e-Manager or selected dealer in over 125 public offerings. Except for its participation as a representative in this offering, Wit Capital has no relationship with FreeMarkets, or any of its founders or significant stockholders.

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INSIDE BACK COVER

The inside of the back cover includes a picture of a printed circuit board with the following text above it: "At 8:30 am, printed circuit boards for a Global 1000 manufacturer cost \$24 million. 1 day later, they cost \$14 million."

A pull-out text box appears at the lower right-hand corner of the inside back cover with the following text: "FreeMarkets recruited a global base of suppliers whose bids fell 43% below previous prices. That's \$10 million." Our logo with the word "FreeMarkets" beside it, appears at the bottom of the inside back cover with the following tag-line text below it: Redefining purchasing power for the Global 1000.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on

any unauthorized information or representations. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

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</TABLE>

Through and including , 1999 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

FREEMARKETS, INC.

Common Stock

FreeMarkets, Inc. Logo

 GOLDMAN, SACHS & CO.
 MORGAN STANLEY DEAN WITTER
 DONALDSON, LUFKIN & JENRETTE
 WIT CAPITAL CORPORATION
 Representatives of the Underwriters

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by the registrant in connection with the sale of the securities being registered. All amounts are estimates except the SEC registration fee, the NASD fee and the Nasdaq National Market listing fee.

<TABLE>
 <CAPTION>

	AMOUNT TO BE PAID

<S>	<C>
SEC registration fee.....	\$ 25,000
NASD fee.....	7,500
Nasdaq National Market listing fee.....	*
Printing expenses.....	*
Legal fees and expenses.....	*
Accounting fees and expenses.....	*
Transfer agent and registrar fees.....	*
Miscellaneous.....	*

Total.....	\$ *
	=====

</TABLE>

 * To be filed by amendment

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 102(b)(7) of the Delaware General Corporation Law (the "DGCL") permits a corporation, in its certificate of incorporation, to limit or eliminate, subject to certain statutory limitations, the liability of directors to the corporation or its stockholders for monetary damages for breaches of fiduciary duty, except for liability (a) for any breach of the director's duty of loyalty to the corporation or its stockholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 174 of the DGCL, or (d) for any transaction from which the director derived an improper personal benefit. Article VII of the registrant's Amended and Restated Certificate of Incorporation, to be in effect upon consummation of the offering of the securities to which this registration statement relates, provides that the personal liability of directors of the registrant is eliminated to the fullest extent permitted by Section 102(b)(7) of

the DGCL.

Under Section 145 of the DGCL, a corporation has the power to indemnify directors and officers under certain prescribed circumstances and subject to certain limitations against certain costs and expenses, including attorneys' fees actually and reasonably incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, to which any of them is a party by reason of being a director or officer of the corporation if it is determined that the director or officer acted in accordance with the applicable standard of conduct set forth in such statutory provision. Article VII of the registrant's Amended and Restated Bylaws, to be in effect upon consummation of the offering of the securities to which this registration statement relates, provides that the registrant will indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he is or was (or to the extent permitted under Delaware law, has agreed to be) a director, officer, employee or agent of the registrant, or is or was serving (or, to the extent permitted under Delaware law, has agreed to serve) at the request of the registrant as a director, officer, employee or agent of another entity, against certain liabilities, costs and expenses. Article VII further permits the registrant to maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the registrant, or is or was serving at the request of the registrant as a director, officer, employee or

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agent of another entity, against any liability asserted against such person and incurred by such person in any such capacity or arising out of his status as such, whether or not the registrant would have the power to indemnify such person against such liability under the DGCL. The registrant expects to maintain directors' and officers' liability insurance.

Under Section 8(b) of the Underwriting Agreement, the Underwriters will be obligated, under certain circumstances, to indemnify directors and officers of the registrant against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Reference is made to the form of Underwriting Agreement filed as Exhibit 1.1 hereto.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

Since September 1996, the registrant has sold and issued the following securities:

1. In September 1996, the registrant issued 219,600 shares of common stock to 10 employees for an aggregate consideration of \$93,330.
2. In July 1997, the registrant issued 2,347,200 shares of Series B preferred stock and warrants to purchase 571,800 shares of Series B preferred stock to 33 investors for an aggregate consideration of \$1,270,067.
3. In October 1997, the registrant issued 531,000 shares of common stock to 24 employees for an aggregate consideration of \$287,625.
4. In December 1997, the registrant issued 5,017,200 shares of Series A-2 preferred stock and warrants to purchase 1,222,800 shares of Series A-2 preferred stock to 60 investors for an aggregate consideration of \$2,717,650.
5. In October 1998, the registrant issued 780,000 shares of common stock to 78 employees for an aggregate consideration of \$1,300,000.

6. In April 1999, the registrant issued 2,305,434 shares of Series C preferred stock to 78 investors for an aggregate consideration of \$10,996,926.

7. In September 1999, the registrant issued 2,057,773 shares of Series D preferred stock and warrants to purchase 304,431 shares of Series D preferred stock to 44 investors for an aggregate consideration of \$30,445,040.

8. Since inception, the registrant has granted options to purchase an aggregate of 9,405,450 shares of common stock to a number of its employees, directors and consultants. No consideration was received by the registrant upon grant of any such options.

The issuances of the above securities were intended to be exempt from registration under the Securities Act in reliance on Section 4(2) thereof as transactions by an issuer not involving any public offering. In addition, certain issuances to employees described in Items 1, 3, 5 and 8 were intended to be exempt from registration under the Securities Act in reliance upon Rule 701 promulgated under the Securities Act. The recipients of securities in each such transaction represented their intentions to acquire the securities for investment only and not with a view to, or for sale in connection with, any distribution thereof and appropriate legends were affixed to the share certificates, warrants and options issued in such transactions. The registrant believes that all recipients had adequate access, through their relationships with the registrant, to information about the registrant.

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ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) EXHIBITS. The following exhibits are filed as part of this registration statement:

<TABLE>

<CAPTION>

NUMBER	DESCRIPTION

<S>	<C>
1.1*	Form of Underwriting Agreement.
3.1(a)	Registrant's Amended and Restated Certificate of Incorporation (to be replaced by Exhibit 3.1(b) upon the closing of this offering).
3.1(b)	Form of registrant's Amended and Restated Certificate of Incorporation (to be effective upon the closing of this offering).
3.2(a)	Registrant's Amended and Restated Bylaws (to be replaced by Exhibit 3.2(b) upon the closing of this offering).
3.2(b)	Form of registrant's Amended and Restated Bylaws (to be effective upon the closing of this offering).
4.1	Amended and Restated Registration Rights Agreement dated August 3, 1999.
5.1*	Opinion of Morgan, Lewis & Bockius LLP as to the legality of the securities being registered.
10.1*	Transaction Agreement between General Motors Corporation and the registrant dated July 17, 1998 and effective as of June 8, 1998.
10.2(a)+	Systems and Services Agreement between United Technologies Corporation and the registrant dated January 14, 1999 and effective as of January 1, 1999.
10.2(b)+	Side Letter Agreement between United Technologies

	Corporation and the registrant dated July 30, 1999.
10.3(a)	Lease Agreement between the registrant and One Oliver Associates Limited Partnership dated October 21, 1998.
10.3(b)	First Amendment to Lease between the registrant and One Oliver Associates dated March 30, 1999.
10.4(a)	Loan and Security Agreement between the registrant and Silicon Valley Bank dated February 5, 1999.
10.4(b)	First Amendment to Loan and Security Agreement between the registrant and Silicon Valley Bank dated September 3, 1999.
10.5	Registrant's 1996 Stock Incentive Plan.
10.6	Registrant's Amended and Restated Stock Incentive Plan.
10.7	Registrant's Employee Stock Purchase Plan.
21.1	Subsidiaries of the registrant.
23.1	Consent of PricewaterhouseCoopers LLP.
23.2*	Consent of Morgan, Lewis & Bockius LLP (included in opinion filed as Exhibit 5.1).
24.1	Power of Attorney (included on signature page of this registration statement).
27.1	Financial Data Schedule for the year ended December 31, 1996.
27.2	Financial Data Schedule for the year ended December 31, 1997.
27.3	Financial Data Schedule for the year ended December 31, 1998.
27.4	Financial Data Schedule for the six months ended June 30, 1998.
27.5	Financial Data Schedule for the six months ended June 30, 1999.

</TABLE>

* To be filed by amendment.

+ Confidential treatment requested as to certain portions of this Exhibit.

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(b) FINANCIAL STATEMENT SCHEDULES. The following financial statement schedule is included as part of this registration statement:

Schedule II -- Valuation and Qualifying Accounts.

Other financial statement schedules have been omitted because they are inapplicable or are not required under applicable provisions of Regulation S-X, or because the information that would otherwise be included in such schedules is contained in the registrant's financial statements or notes thereto.

ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against

such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For the purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rules 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pittsburgh, Commonwealth of Pennsylvania, on September 8, 1999.

FREEMARKETS, INC.

By: /s/ GLEN T. MEAKEM

Glen T. Meakem
President, Chief Executive Officer
and Chairman of the Board

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints, Glen T. Meakem and Sam E. Kinney, Jr., and each of them, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments) and any and all additional registration statements pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with or related to the offering contemplated by this registration statement and its amendments, if any, and to file the same, with all exhibits thereto and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or either of them, or their or his substitutes or substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this

registration statement has been signed by the following persons in the capacities and on the dates indicated:

<TABLE>

<CAPTION>

SIGNATURE -----	CAPACITY -----	DATE ----
<S>	<C>	<C>
/s/ GLEN T. MEAKEM ----- Glen T. Meakem	President, Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	September 8
/s/ SAM E. KINNEY, JR. ----- Sam E. Kinney, Jr.	Executive Vice President and Acting Chief Financial Officer (Principal Financial and Accounting Officer)	September 8
/s/ ERIC C. COOPER ----- Eric C. Cooper	Director	September 8
/s/ DAVID A. NOBLE ----- David A. Noble	Director	September 8

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REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Stockholders
of FreeMarkets, Inc. and Subsidiaries:

Our audits of the consolidated financial statements referred to in our report dated July 30, 1999, except for Notes 2 and 9 as to which the date is September 8, 1999, appearing in this Registration Statement also included an audit of the financial statement schedule listed in Item 16 of this Form S-1. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania
July 30, 1999, except for Notes 2 and 9, as to
which the date is September 8, 1999

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SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

<TABLE>

<CAPTION>

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
-----	-----	-----	-----	-----
		ADDITIONS		

	BALANCE AT BEGINNING OF PERIOD	CHARGED TO EXPENSE	CHARGED TO OTHER ACCOUNTS	DEDUCTIO
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Allowance for doubtful accounts:				
Year ended December 31, 1996.....	--	--	--	--
Year ended December 31, 1997.....	--	20,000	--	--
Year ended December 31, 1998.....	20,000	5,000	--	--
Six months ended June 30, 1999....	25,000	93,750	--	(4,434
Allowance for deferred tax assets:				
Year ended December 31, 1996.....	393,000	--	767,000	--
Year ended December 31, 1997.....	1,160,000	--	176,000	--
Year ended December 31, 1998.....	1,336,000	--	1,000	--
Six months ended June 30, 1999....	1,337,000	--	1,519,000	--

</TABLE>

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EXHIBIT INDEX

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</TABLE>

* To be filed by amendment.
 + Confidential treatment requested as to certain portions of this Exhibit.

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</DOCUMENT>

<DOCUMENT>

<TYPE>EX-3.1.A

<SEQUENCE>2

<DESCRIPTION>AMENDED & RESTATED CERTIFICATE OF INCORPORATION

<TEXT>

<PAGE> 1

Exhibit 3.1(a)

CERTIFICATE OF AMENDMENT AND RESTATEMENT
 OF CERTIFICATION OF INCORPORATION
 OF
 FREEMARKETS ONLINE, INC.

FREEMARKETS ONLINE, INC. (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, which was originally incorporated as Online Markets Corporation, on 3/13/95, Does Hereby CERTIFY:

FIRST: That the Board of Directors of the Corporation, at a meeting duly held, adopted a resolution proposing and declaring advisable the following amendment and restatement to the Certificate of Incorporation of the Corporation:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended and restated so that said Certificate of Incorporation shall be and read as follows:

I. NAME. The name of the Corporation is FreeMarkets OnLine, Inc.

II. REGISTERED OFFICE AND AGENT. The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801, and the name of its registered agent at such address is The Corporation Trust Company.

III. PURPOSE. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the GCL.

IV. STOCK.

A. Classes of Stock. The total number of shares of stock which the Corporation shall have the authority to issue is 200,000; of such shares, the number of common shares which the Corporation shall have the authority to issue is 100,000, par value \$.01 per share ("Common Stock"), and the number of preferred shares which the Corporation shall have the authority to issue is 100,000, par value \$.01 per share ("Preferred Stock").

B. Common Stock. Subject to the provisions of any series of Preferred Stock which may at the time be outstanding, the holders of shares of Common Stock shall be entitled to receive, when and as declared by the Board of Directors of the Corporation (the "Board of Directors") out of any funds legally available for the purpose, such dividends as may be declared from time to time by the Board of Directors. In the event of the liquidation of the Corporation, or upon distribution of its assets, after the payment in full or the setting apart for payment of such preferential amounts, if any, as the holders of shares of Preferred Stock at the time outstanding shall be entitled, the remaining assets of the Corporation available for payment and distribution to shareholders shall, subject to any participating or similar rights of shares of Preferred Stock at the time outstanding, be distributed ratably among the holders of shares of Common Stock at the time outstanding.

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All shares of Common Stock shall have equal voting rights, and shall have no preference, conversion, exchange, preemptive (except as otherwise provided in any agreement between holders of shares of the Common Stock and the Corporation) or redemption rights.

C. Series A Convertible Preferred Stock.

1. Designation and Amount.

(a) 17,000 shares of the Preferred Stock are hereby constituted as a series of the Preferred Stock designated as "Series A Convertible Preferred Stock" (the "Series A Preferred Stock"); shares of the Series A Preferred Stock shall rank prior to the Common Stock, upon liquidation and otherwise as specified herein.

(b) 7,000 shares of the Series A Preferred Stock are hereby constituted as "Series A-1 Convertible Preferred Stock" (the "Series A-1 Preferred Stock") and 10,000 shares of the Series A Preferred Stock are hereby constituted as "Series A-2 Convertible Preferred Stock" (the "Series A-2 Preferred Stock"). Except as set forth in Section IVC3 and 4 below, the Series A-1 Preferred Stock and the Series A-2 Preferred Stock shall be considered as one class of Stock and shall have all of the same rights, preferences and limitations.

2. Dividends

(a) Dividends on Other Stock. The Series A Holders shall be entitled to receive such dividends as may be declared by the Board of Directors. So long as any of the Series A Preferred Stock is outstanding, (i) no dividends shall be declared or paid on Common Stock or other Preferred Stock ranking on a parity as to dividends with the Series A Preferred Stock unless an identical dividend (as adjusted pursuant to Section IVC3(d) is paid on the Series A Preferred Stock and (ii) no dividends (other than dividends payable in stock junior to the Series A Preferred Stock) shall be declared or paid on any Preferred Stock ranking junior to the Series A Preferred Stock;

(b) Dividends Not Paid in Full. When dividends are not paid in full upon shares of Series A Preferred Stock and any other Preferred Stock or Common Stock ranking on a parity as to dividends with the Series A Preferred Stock, all dividends paid upon shares of Series A Preferred Stock, such other Preferred Stock and Common Stock shall be paid pro rata so that the amount of dividends paid per share on the Series A Preferred Stock, such other Preferred Stock and Common Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of Series A Preferred Stock, such other Preferred Stock and Common Stock bear to each other.

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3. Conversion Rights. The Series A Holders shall have conversion rights as follows:

(a) Optional Conversion. Each share of Series A Preferred Stock shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the date of issuance of such share (subject to compliance with Section C3(c) of this Article), into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Initial Conversion Price for such share (as hereinafter defined) by the Conversion Price (as hereinafter defined) in effect at the time of conversion. The "Initial Conversion Price" for each share of Series A Preferred Stock shall be either (i) \$255 for each share of Series A- 1 Preferred Stock, or (ii) the actual purchase price paid for each share of Series A-2 Preferred Stock initially acquired by the original holder thereof. The "Conversion Price" for each share shall initially be the Initial Conversion Price, subject to adjustment in the manner provided in Section C3(d) of this Article.

(b) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price immediately prior to the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale to the public of Common Stock for an aggregate consideration of at least \$10,000,000 (a "Qualified Public Offering"). Each Series A Holder immediately prior to such automatic conversion shall be entitled to all dividends which have accrued pursuant to Section C2 of this Article on the Series A Preferred Stock up to the time of the automatic conversion. Such dividends shall be

paid to all such holders by the issuance of Common Stock at the then effective Conversion Price on the date of automatic conversion.

(c) Mechanics of Conversion.

(i) No fractional shares of Common Stock shall be issued upon conversion of the Series A Preferred Stock. In calculating the number of Common Shares that a Series A Holder shall be entitled to receive upon conversion, the Corporation shall round any fractional number determined by such calculation upwards or downwards to the nearest whole number.

(ii) Before any Series A Holder shall be entitled to convert the same into shares of Common Stock pursuant to Section C3(a) of this Article, he shall (a) give prior written notice to the Corporation, at the office of the Corporation, that he elects to convert the same and shall state therein the number of shares to be converted and the name(s) (with address(es)) in which he wishes the certificate(s) for shares of Common Stock (and any Series A Preferred Stock which is not being converted) to be issued, and (b) surrender to the Corporation, at the office of the Corporation, the Series A Preferred Stock certificate(s), duly endorsed. As soon as practicable thereafter, the Corporation shall issue and deliver at such office to such Series A Holder, or to his nominee(s), a certificate(s) for the number of shares of Common Stock (together with a certificate(s) for any Series A Preferred Stock which was not converted) to which he shall be entitled upon such conversion. Such conversion shall be deemed to have become effective

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immediately prior to the close of business on the date of such surrender of the shares of Series A Preferred Stock to be converted, the Conversion Price shall be determined as of such date and the person(s) entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(iii) Promptly after the closing of a Qualified Public Offering, the Corporation shall give each Series A Holder a written notice specifying the date of such closing and the applicable Conversion Price and calling upon such holder to surrender to the Corporation, in the manner and at the place specified therein, the certificate(s) representing his share of Series A Preferred Stock. From and after receipt of such notice each Series A Holder shall have the right to have a certificate(s) for the number of shares of Common Stock to which he is entitled upon such conversion issued to him or to his nominee(s) upon surrender of his certificate(s) for Series A Preferred Stock at the place and in the manner specified in such notice (and, in the case of a certificate(s) to be issued to his nominee(s), upon written notice to the Corporation of the name(s) and address(es) of such nominee(s)). Such conversion shall be deemed to have become

effective immediately prior to the closing of such Qualified Public Offering, the Conversion Price shall be determined as of such date and time and the person(s) entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date and time or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(d) Adjustment to Conversion Price.

(i) Adjustment Upon Stock Dividends, Splits, Etc. If the Corporation shall at any time (A) pay a dividend, or make a distribution, in shares of its Common Stock or securities convertible into or exchangeable or exercisable for shares of its Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares by means of a stock split or otherwise or (C) combine its outstanding shares of Common Stock into a smaller number of shares, the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect immediately prior thereto shall be adjusted so that the holder of a share of Series A-1 Preferred Stock and/or Series A-2 Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive after the happening of such event had such share of Series A-1 Preferred Stock and/or Series A-2 Preferred Stock been converted immediately prior to such record date.

(ii) Adjustment Upon Issuance of Common Stock. If the Corporation shall at any time issue or sell (or pursuant to clause (iii) below, be deemed to have issued or sold) any shares of its Common Stock for a consideration per share less

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than the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect immediately prior to such issuance or sale, then upon such issuance or sale, the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, shall be reduced to the price (calculated to the nearest one-hundredth of a cent) determined by dividing (A) an amount equal to the sum of (1) the product of the number of shares of Common Stock outstanding immediately prior to such issuance or sale multiplied by the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect immediately prior to such issuance or sale plus (2) the aggregate consideration received by the Corporation upon such issuance or sale by (B) the number of shares of Common Stock outstanding immediately after such issuance or sale.

(iii) Treatment of Convertible Securities. If the Corporation shall grant, issue (whether directly or by assumption in a merger or otherwise) or sell any security, obligation,

option, warrant or other right which directly or indirectly may be converted into, exchanged or exercised for or satisfied in shares of Common Stock (such securities and other rights being hereinafter referred to as "Convertible Securities", and any such conversion, exchange, exercise or satisfaction being hereinafter referred to as a "conversion"), whether or not the right to effect a conversion thereunder is immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion (determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Corporation upon conversion thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion of all such Convertible Securities) shall be less than the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect immediately prior to such grant, issuance or sale, then for purposes of making the calculation in clause (ii) above, the total maximum number of shares of Common Stock issuable upon conversion of all such Convertible Securities shall (as of the date of the grant, issuance or sale of such Convertible Securities) be deemed to be outstanding and to have been issued for such price per share. No further adjustments of the applicable Conversion Price shall be made upon the issuance of such Common Stock upon conversion of such Convertible Securities.

(iv) Adjustments Required by Adjustments to Convertible Securities. If the purchase price provided for in any Convertible Securities, the additional consideration payable upon conversion of any Convertible Securities or the rate at which any Convertible Securities are convertible into Common Stock shall change at any time (other than pursuant to anti-dilution provisions), then the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect on the date of such change shall be readjusted to the applicable Conversion Price which would have been in effect at such time had such Convertible Securities still outstanding provided for such changed

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purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold.

(v) Treatment of Expired or Unexercised Convertible Securities. If and to the extent that rights of conversion of Convertible Securities shall expire or terminate without exercise, the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect on the date of such expiration or termination shall be readjusted to the applicable Conversion Price that would have been in effect at such time had such rights never existed, and the Common Stock theretofore issuable upon conversion of such expired or terminated rights shall no longer be deemed to be outstanding.

(vi) Calculation of Consideration. In case of a grant, issuance or sale of Common Stock or Convertible Securities for cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above the value of the consideration received or receivable by the Corporation shall be deemed to be the amount of cash received or receivable by the Corporation therefor. In the case of any grant, issuance or sale of Common Stock or Convertible Securities for a consideration other than cash or a consideration, part of which shall be other than cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above the value of the consideration other than cash received or receivable by the Corporation shall be deemed to be the fair market value of such consideration as determined in good faith by the Board of Directors.

(vii) Determination of Outstanding Shares. For the purpose of any computations under clauses (ii), (iii) or (iv) above the number of shares of Common Stock outstanding at any given time shall include the number of shares of Common Stock actually outstanding at such time plus all shares of Common Stock which are deemed to be outstanding pursuant to clause (iii) above but shall not include shares owned or held by or for the account of the Corporation.

(viii) Exceptions. The provisions of clauses (i) and (ii) above shall not apply to (A) up to 2600 shares of Common Stock issued or issuable upon the exercise of stock options or purchase rights granted by the Corporation from time to time to any of the Corporation's directors, officers or employees in their capacities as such, (B) the reissuance of securities previously purchased by the Corporation from any of its employees to any successor or replacement employee, or (C) securities of the Corporation issued or sold to the public pursuant to an offering registered under the Securities Act of 1933, as amended.

(ix) Adjustment Upon Merger, Etc.. In the event of (A) any reclassification or change of outstanding shares of Common Stock issuable upon conversion of the Series A Preferred Stock, (B) any consolidation, merger or similar combination to which the Corporation is a party (other than a consolidation or merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding shares of Series A Preferred Stock or

Common Stock), (C) any conveyance or leasing of all or substantially all of the assets of the Corporation to another entity, or (D) any recapitalization or reorganization of the Corporation (items (A) through (D) being hereinafter referred to as a "Change in Control"), each Series A Holder shall have the right to receive the same kind and amount of shares of stock and other securities or property (including cash) receivable upon such event by a holder of the number of shares of Common Stock issuable upon conversion of such Series A Preferred Stock immediately prior to such event. If any Series A Preferred Stock is to remain outstanding after any such event, or if, as a result of such

event, the Series A Holders are to become the holders of securities which are convertible into Common Stock of the Corporation or any other corporation, then effective provisions shall be made in the instrument effecting or providing for such event such that the holders of such Series A Preferred shares or such other securities shall have the benefit of anti-dilution protection which is substantially similar to that granted by this Section C4(d).

(x) Notice of Adjustment. Whenever any Conversion Price shall be adjusted as provided in this Section C4(d), the Corporation shall promptly prepare a statement stating the adjusted Conversion Price(s) determined as provided herein. Such statement shall show in detail the facts requiring such adjustment and the manner of determining such adjustment, including, if applicable, the method of determining the fair market value of assets. Such statement shall promptly be delivered to each Series A Holder who shall request the same in writing.

4. Liquidation Rights.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding-up (collectively, a "Liquidation") of the Corporation, the Series A holders shall be entitled to be paid, in preference to holders of junior Preferred Stock and the Common Stock and out of the assets of the Corporation legally available for distribution to its stockholders, the following price per share in cash: (x) \$255 for each share of Series A-1 Preferred Stock, and (y) the Initial Conversion Price for each share of Series A-2 Preferred Stock (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series A holders shall share ratably in such distribution.

(b) No distribution in Liquidation shall be made to the holders of any shares of Common Stock or junior Preferred Stock unless, prior thereto, Series A Holders receive their full Liquidation Preference in accordance with the terms of Section C4(a) of this Article. Following the payment of the full amount of the Liquidation Preference to the Series A Holders no additional distributions shall be made to such holders.

(c) A merger or consolidation of the Corporation with or into any other corporation (other than a consolidation of merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding shares of Series A Preferred Stock), or a share exchange or the sale or

conveyance of substantially all of the assets of the Corporation, shall be deemed to be a Liquidation of the Corporation within the meaning of this Section C4.

5. Voting Rights.

(a) Except as provided below, Holders of Series A Preferred Stock shall be entitled to vote on all matters on which Holders of the Common Stock are entitled to vote and, except as otherwise provided in this Certificate of Incorporation or as required by law, the Common Stock and the Series A Preferred Stock shall vote together as one class. Each share of Series A Preferred Stock shall entitle the holder thereof to such number of votes per share on all matters on which they are entitled to vote equal to the number of shares of Common Stock (including fractional shares) into which each share of Series A Preferred Stock is then convertible;

(b) The Series A Holders shall be entitled to vote as a separate class to elect one (1) director to the Board of Directors. Except as provided in this subpart (b), the Series A Holders shall not otherwise be entitled to vote to elect members of the Board of Directors.

6. No Sinking Fund. The shares of Series A Preferred Stock shall not be subject to the benefit of a purchase, retirement or sinking fund.

7. No Implied Limitations. Except as otherwise provided by express provisions of this Certificate of Incorporation, nothing herein shall limit, by inference or otherwise, the discretionary rights of the Board of Directors to issue Preferred Stock which is pari passu with, or junior to, the Series A Preferred Stock in right of dividend and liquidation preference, but in no event may the Board of Directors cause to be issued Preferred Stock which has rights senior to such rights of the Series A Preferred Stock.

8. Amendments and Waivers. The consent of the holders of a majority of the shares of Series A Preferred Stock at the time outstanding shall be necessary for:

(a) the creation or authorization of the creation of any additional class or series of shares of stock unless the same ranks junior to the Series A Preferred Stock as to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, or the increase of the authorized amount of the Series A Preferred Stock or the increase of the authorization amount of any additional class or series of shares of stock unless the same ranks junior to the Series A Preferred Stock as to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, or the creation or authorization of any obligation or security convertible into shares of Series A Preferred Stock or into shares of any other class or series of stock unless the same ranks junior to the Series A Preferred Stock as to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, whether any such creation, authorization or increase shall be by means of amendment to the Certificate of Incorporation or by merger, consolidation or otherwise.

(b) any Liquidation, dissolution or winding up of the Corporation or any Change in Control for a price per share of Common Stock which is less than the then current Conversion Price for the Series A-2 Preferred Stock (as the same is adjusted in the manner provided in Section IVC3(d)).

(c) the amendment, alteration or repeal of the Company's Certificate of Incorporation or amendment, alteration or repeal of its By-laws, if such amendment, alteration or repeal, directly and adversely affects any rights and preferences of the holders of the Series A Preferred Stock.

(d) the purchase or set aside of any sums for the purchase of, or payment of, any dividend or the making of any distribution on, any shares of Stock other than the Series A Preferred Stock, except for dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock and except for the purchase of shares of Common Stock from former employees of the Corporation if each such purchase is made pursuant to contractual rights held by the Corporation relating to the termination of employment of such former employee.

(e) the Series A Holders to waive the benefit of any right or privilege granted to Series A Holders hereunder.

D. Additional Series of Stock. Subject to the rights of the Series A Preferred Stock set forth in Section C8 of this Article, the Board of Directors is hereby expressly authorized at any time, and from time to time, to provide for the issuance of shares of Preferred Stock in one (1) or more additional series, with such designations, preferences and relative, participating, optional or other rights, and subject to such qualifications, limitations or restrictions, as shall be stated in the resolution(s) providing for the issue thereof adopted by the Board of Directors and the certificate of designations filed under the GCL setting forth such resolution(s). .

V. COMPROMISE OR ARRANGEMENT. Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its creditors or any class of them and/or between the Corporation and its shareholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or shareholder thereof, or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of the GCL, or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 of the GCL, order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the shareholders or class of shareholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as consequence of such compromise or arrangement, the said

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compromise or arrangement of the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all of the creditors or class of creditors, and/or on all the shareholders or class of shareholders of the Corporation, as the case may be, and also on the Corporation.

VI. LIABILITY OF DIRECTORS. The personal liability of the directors of the Corporation is hereby eliminated to the fullest extent permitted by the GCL as the same exists or may hereafter be amended.

VII. INDEMNIFICATION. The Corporation shall, to the fullest extent permitted by the GCL as the same exists or may hereafter be amended, indemnify any and all persons whom it shall have power to indemnify under the GCL from and against any and all expenses, liabilities or other matters with respect to which such indemnification is permitted under the GCL, and the indemnification provided for herein shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of shareholders or directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

VIII. AMENDMENT. From time to time any of the provisions of this Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the shareholders of the Corporation by this Certificate of Incorporation are granted subject to the provisions of this Article.

IX. ELECTION OF DIRECTORS. Unless otherwise provided in the By-laws of the Corporation, election of directors need not be by written ballot.

X. AMENDMENT OF BYLAWS. The Board of Directors shall have the power to make, amend, alter or repeal by By-laws of the Corporation, in whole or in part.

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders have given written consent to said amendment and restatement in accordance with the provisions of Section 228 of the GCL.

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THIRD: That the aforesaid amendment and restatement was duly adopted in accordance with the applicable provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

WITNESS the due execution hereof this 28th day of March, 1996.

ATTEST:

FREEMARKETS ONLINE, INC.

By: /s/ Sam E. Kinney Jr.

By: /s/ Glenn T. Meakem

Title: Exec. VP

Title: President and CEO

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CERTIFICATE OF DESIGNATION, RIGHTS AND PREFERENCES
OF THE SERIES B CONVERTIBLE PREFERRED STOCK
OF FREEMARKETS ONLINE, INC.

Pursuant to Section 151
of the Delaware General Corporation Law

The undersigned, President and Secretary, respectively, of FreeMarkets OnLine, Inc., a Delaware corporation (the "Company"), certify that pursuant to authority granted to and vested in the Board of Directors (the "Board of Directors") of the Company by the provisions of the Amended and Restated Certificate of Incorporation of the Company, on November 25, 1996 the Board of Directors has adopted the following resolution creating a series of Preferred Stock of the Company designated as the Series B Convertible Preferred Stock and such resolution has not been modified and is in full force and effect on the date hereof:

RESOLVED, that pursuant to authority expressly granted to and vested in the Board of Directors by the provisions of the Amended and Restated Certificate of Incorporation of the Company, the Board of Directors hereby creates a series of Convertible Preferred Stock, par value \$.01 per share, designated as Series B, consisting of shares of Preferred Stock, and authorizes the issuance thereof, and hereby fixes the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereon as follows:

Series B Convertible Preferred Stock

1. Designation and Amount. 6,000 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the Preferred Stock designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock"); shares of the Series B Preferred Stock shall rank prior to the Company's common stock, par value \$.01 per share ("Common Stock"), with respect to the payment of dividends and upon liquidation and otherwise as specified herein.

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2. Dividends.

(a) Dividends on Other Stock. The Series B Holders shall be entitled to receive such dividends as may be declared by the Board of Directors; provided, however, that to the extent the Board of Directors declares cash dividends with respect to shares of the Series A Preferred Stock of the Company, it shall also declare cash dividends with respect to the Series B Preferred Stock in an amount per share equal to the dividends per share declared simultaneously on the Series A Preferred Stock. The consent of a majority of the Series A Preferred Stock shall be necessary for the payment of any dividends on any shares of Series B Preferred Stock. Except as provided in the preceding sentence, so long as any of the Series B Preferred Stock is outstanding, (i) no dividends shall be declared or paid on Common Stock or other Preferred Stock ranking on a parity as to dividends with the Series B Preferred Stock unless an identical dividend (as adjusted pursuant to Section 3(d)) is paid on the Series B Preferred Stock and (ii) no dividends (other than dividends payable in stock junior (with respect to dividends) to the Series B Preferred Stock) shall be declared or paid on any Preferred Stock ranking junior (with respect to dividends) to the Series B Preferred Stock;

(b) Dividends Not Paid in Full. When dividends are not paid in full upon shares of Series B Preferred Stock and any other Preferred Stock or Common Stock ranking on a parity as to dividends with the Series B Preferred Stock, all dividends paid upon shares of Series B Preferred Stock, such other Preferred Stock and Common Stock shall be paid pro rata so that the amount of dividends paid per share on the Series B Preferred Stock, such other Preferred Stock and Common Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of Series B Preferred Stock, such other Preferred Stock and Common Stock bear to each other.

3. Conversion Rights. The Series B Holders shall have conversion rights as follows:

(a) Optional Conversion. Each share of Series B Preferred Stock shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the date of issuance of such share (subject to compliance with Section 3(c) of this Article), into such number of fully paid and non assessable shares of Common Stock as is determined by multiplying each share of Series B Preferred Stock to be converted by the quotient obtained by dividing the Initial Conversion Price for such share (as hereinafter defined) by the Conversion Price (as hereinafter defined) in effect at the time of conversion. The "Initial Conversion Price" for each share of Series B Preferred Stock shall be \$325 for each share of Series B Preferred Stock. The "Conversion Price" for each share shall initially be the Initial Conversion Price, subject to adjustment in the manner provided in Section 3(d) of this Article.

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(b) Automatic Conversion. Each share of Series B Preferred Stock shall automatically be converted into shares of Common Stock in the manner set forth in Section 3(a) at the then effective Conversion Price immediately prior to the closing of an underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale to the public of Common Stock for an aggregate consideration of at least \$10,000,000 (a "Qualified Public Offering"). Each Series B Holder immediately prior to such automatic conversion shall be entitled to all dividends which have accrued pursuant to Section 2 of this Article on the Series B Preferred Stock up to the time of the automatic conversion. Such dividends shall be paid to all such holders by the issuance of Common Stock at the then effective Conversion Price on the date of automatic conversion.

(c) Mechanics of Conversion.

(i) No fractional shares of Common Stock shall be issued upon conversion of the Series B Preferred Stock. In calculating the number of Common Shares that a Series B Holder shall be entitled to receive upon conversion, the Corporation shall round any fractional number determined by such calculation upwards or downwards to the nearest whole number.

(ii) Before any Series B Holder shall be entitled to convert the same into shares of Common Stock pursuant to Section 3(a) of this Article, he shall (a) give prior written notice to the Corporation, at the office of the Corporation, that he elects to convert the same and shall state therein the number of shares to be converted and the name(s) (with address(es)) in which he wishes the certificate(s) for shares of Common Stock (and any Series B Preferred Stock which is not being converted) to be issued and (b) surrender to the Corporation, at the office of the Corporation, the Series B Preferred Stock certificate(s), duly endorsed. As soon as practicable thereafter, the Corporation shall issue and deliver at such office to such Series B Holder, or to his nominee(s), a certificate(s) for the number of shares of Common Stock (together with a certificate(s) for any Series B Preferred Stock which was not converted) to which he shall be entitled upon such conversion. Such conversion shall be deemed to have become effective immediately prior to the close of business on the date of such surrender of the shares of Series B Preferred Stock to be converted, the Conversion Price shall be determined as of such date and the person(s) entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(iii) Promptly after the closing of a Qualified Public Offering, the Corporation shall give each Series B Holder a written notice specifying the date of such closing and the Conversion Price and calling upon such holder to surrender to the Corporation, in the manner and at the place specified therein, the certificate(s) representing his shares of Series B Preferred Stock. From and after receipt of such notice each Series B Holder shall have the right

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to have a certificate(s) for the number of shares of Common Stock to which he is entitled upon such conversion issued to him or to his nominee(s) upon surrender of his certificate(s) for Series B Preferred Stock at the place and in the manner specified in such notice (and, in the case of a certificate(s) to be issued to his nominee(s), upon written notice to the Corporation of the name(s) and address(es) of such nominee(s)). Such conversion shall be deemed to have become effective immediately prior to closing of such Qualified Public Offering, the Conversion Price shall be determined as of such date and time and the person(s) entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date and time or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(d) Adjustment to Conversion Price.

(i) Adjustment Upon Stock Dividends, Splits, Etc. If the Corporation shall at any time (A) pay a dividend, or make a distribution, in shares of its Common Stock or securities convertible into or exchangeable or exercisable for shares of its Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares by means of a stock split or otherwise or (C) combine its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price in effect immediately prior thereto shall be adjusted so that the holder of a share of Series B Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive after the happening of such event had such share of Series B Preferred Stock been converted immediately prior to such record date.

(ii) Adjustment Upon Issuance of Common Stock. If the Corporation shall at any time issue or sell (or pursuant to clause (iii) below, be deemed to have issued or sold) any shares of its Common Stock for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or sale, then upon such issuance or sale, the Conversion Price shall be reduced to the price (calculated to the nearest one-hundredth of a cent) determined by dividing (A) an amount equal to the sum of (1) the product of the number of shares of Common Stock outstanding immediately prior to such issuance or sale multiplied by the Conversion Price in effect immediately prior to such issuance or sale plus (2) the aggregate consideration received by the Corporation upon such issuance or sale by (B) the number of shares of Common Stock outstanding immediately after such issuance or sale.

(iii) Treatment of Convertible Securities. If the Corporation shall grant, issue (whether directly or by assumption in a merger or otherwise) or sell any security, obligation, option, warrant or other right which directly or indirectly may be converted into, exchanged or exercised for or satisfied in shares of Common Stock (such securities and other rights being hereinafter referred to as "Convertible Securities", and any such conversion,

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exchange, exercise or satisfaction being hereinafter referred to as a "conversion"), whether or not the right to effect a conversion thereunder is immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion (determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the conversion thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion of all such Convertible Securities) shall be less than the Conversion Price in effect immediately prior to such grant, issuance or sale, then for purposes of making the calculation in clause (ii) above, the total maximum number of shares of Common Stock issuable upon conversion of all such Convertible Securities shall (as of the date of the grant, issuance or sale of such Convertible Securities) be deemed to be outstanding and to have been issued for such price per share. No further adjustments of the Conversion Price shall be made upon the issuance of such Common Stock upon conversion of such Convertible Securities.

(iv) Adjustments Required by Adjustments to Convertible Securities. If the purchase price provided for in any Convertible Securities, the additional consideration payable upon conversion of any Convertible Securities or the rate at which any Convertible Securities are convertible into Common Stock shall change at any time (other than pursuant to anti-dilution provisions), then the Conversion Price in effect on the date of such change shall be readjusted to the Conversion Price which would have been in effect at such time had such Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold.

(v) Treatment of Expired or Unexercised Convertible Securities. If and to the extent that rights of conversion of Convertible Securities shall expire or terminate without exercise, the Conversion Price in effect on the date of such expiration or termination shall be readjusted to the Conversion Price that would have been in effect at such time had such rights never existed, and the Common Stock theretofore issuable upon conversion of such expired or terminated rights shall no longer be deemed to be outstanding.

(vi) Calculation of Consideration. In case of a grant, issuance or sale of Common Stock or Convertible Securities for cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above, the value of the consideration received or receivable by the Corporation shall be deemed to be the amount of cash received or receivable by the Corporation therefor. In the case of any grant, issuance or sale of Common Stock or Convertible Securities for a consideration other than cash or a consideration part of which shall be other than cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above the value of the consideration other than cash received or receivable by the Corporation shall be deemed to be the fair market value of such consideration as determined in good faith by the Board of Directors.

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(vii) Determination of Outstanding Shares. For the purpose of any computations under clauses (ii), (iii) or (iv) above, the number of shares of Common Stock outstanding at any given time shall include the number of shares of Common Stock actually outstanding at such time plus all shares of Common Stock which are deemed to be outstanding pursuant to clause (iii) above, but shall not include shares owned or held by or for the account of the Corporation.

(viii) Exceptions. The provisions of clauses (i) and (ii) above shall not apply to (A) up to 2600 shares of Common Stock issued or issuable upon the exercise of stock options or purchase rights granted by the Corporation from time to time to any of the Corporation's directors, officers or employees in their capacities as such, (B) the reissuance of securities previously purchased by the Corporation from any of its employees to any successor or replacement employee, or (C) securities of the Corporation issued or sold to the public pursuant to an offering registered under the Securities Act of 1933, as amended.

(ix) Adjustment Upon Merger, Etc. In the event of (A) any reclassification or change of outstanding shares of Common Stock issuable upon conversion of the Series B Preferred Stock, (B) any consolidation, merger or similar combination to which the Corporation is a party (other than a consolidation or merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding shares of Series B Preferred Stock or Common Stock), (C) any conveyance or leasing of all or substantially all of the assets of the Corporation to another entity or (D) any recapitalization or reorganization of the Corporation (items (A) through (D) being hereinafter referred to as a "Change in Control"), each Series B Holder shall have the right to receive the same kind and amount of shares of stock and other securities or property (including cash) receivable upon such event by a holder of the number of shares of Common Stock issuable upon conversion of such Series B Preferred Stock immediately prior to such event. If any Series B Preferred Stock is to remain outstanding after any such event, or if, as a result of such event, the Series B Holders are to become the holders of securities which are convertible into common stock of the Corporation or any other corporation, then effective provision shall be made in the instrument effecting or providing for such event such that the holders of such Series B Preferred Shares or such other securities shall have the benefit of anti-dilution protection which is substantially similar to that granted by this Section 4(d).

(x) Notice of Adjustment. Whenever any Conversion Price shall be adjusted as provided in this Section 4(d), the Corporation shall promptly prepare a statement stating the adjusted Conversion Price(s) determined as provided herein. Such statement shall show in detail the facts requiring such adjustment and the manner of determining such adjustment, including, if applicable, the method of determining the fair market value of assets. Such statement shall promptly be delivered to each Series B Holder who shall request the same in writing.

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4. Liquidation Rights.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up (collectively, a "Liquidation") of the Corporation, the Series B Holders shall be entitled to be paid, after distribution is made to the Series A Preferred Stock, but in preference to holders of junior Preferred Stock and the Common Stock, out of the assets of the Corporation legally available for distribution to its stockholders, an amount equal to \$325 for each share of Series B Preferred Stock (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series B Holders shall share ratably in such distribution.

(b) No distribution in Liquidation shall be made to the holders of any shares of Common Stock or junior Preferred Stock unless, prior thereto, Series B Holders receive their full Liquidation Preference in accordance with the terms of Section 4(a) of this Article. Following the payment of the full amount of the Liquidation Preference to the Series B Holders no additional distributions shall be made to such holders.

(c) A merger or consolidation of the Corporation with or into any other Corporation (other than a consolidation or merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding Shares of Series B Preferred Stock), or a share exchange or the sale or conveyance of substantially all of the assets of the Corporation, shall be deemed to be a Liquidation of the Corporation within the meaning of this Section 4.

5. Voting Rights. Except as otherwise provided in this Certificate of Designation, the Certificate of Incorporation or as required by law, the Common Stock and the Series B Preferred Stock shall vote together as one class. The holders of the Series B Preferred Stock shall be entitled to that number of votes equal to the number of shares of Common Stock issuable upon conversion of the Series B Preferred Stock.

6. No Sinking Fund. The shares of Series B Preferred Stock shall not be subject to the benefit of a purchase, retirement or sinking fund.

7. No Implied Limitations. Except as otherwise provided by express provisions of this Certificate of Designation or the Certificate of Incorporation, nothing herein shall limit, by inference or otherwise, the discretionary rights of the Board of Directors to issue Preferred Stock which is pari passu with, or junior to, the Series B Preferred Stock in right of dividend and liquidation preference, but in no event may the Board of Directors cause to be issued Preferred Stock which has rights senior to such rights of the Series B Preferred Stock.

8. Amendments and Waivers. The consent of the holders of a majority of the shares of Series B Preferred Stock at the time outstanding shall be necessary for (a) the Company to amend

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this Certificate of Designation or the Certificate of Incorporation in a manner that would materially and adversely affect in the aggregate the rights of the Series B Holders or (b) the Series B Holders to waive the benefit of any right or privilege granted to Series B Holders hereunder.

9. General Provisions. In addition to the above provisions with respect to the Series B Preferred Stock, such Series B Preferred Stock shall be subject to and be entitled to the benefit of the provisions set forth in the Company's Certificate of Incorporation with respect to Preferred Stock generally.

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WITNESS the due execution hereof this 30th day of December, 1996.

FREEMARKETS ONLINE, INC.

By: /S/ Sam E. Kinney, Jr.

Title: Secretary

By /S/ Glen T. Meakem

Title: President

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CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets Online, Inc., a Delaware corporation (the
"Corporation"), hereby certifies as follows:

FIRST: The Certificate of Incorporation of the Corporation was
filed in the Office of the Secretary of State of Delaware on March 13, 1995 and
a certified copy was recorded in the Office of the Recorder of New Castle
County, Delaware. The Certificate of Incorporation was amended on March 22,
1995, and was Amended and Restated on March 29, 1996.

SECOND: The Amended and Restated Certificate of Incorporation
is hereby further amended as follows:

A: By striking paragraph IV.A of the Amended and Restated
Certificate of Incorporation in its entirety and inserting the following new
paragraph IV.A as follows:

Classes of Stock. The total number of shares of stock which
the Corporation shall have the authority to issue is 40,000,000; of such shares,
the number of common shares which the Corporation shall have the authority to
issue is 20,000,000, par value \$.01 per share ("Common Stock"), and the number
of preferred shares which the Corporation shall have the authority to issue is
20,000,000, par value \$.01 per share ("Preferred Stock").

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B: By striking paragraph IV.C(1) of the Amended and Restated
Certificate of Incorporation in its entirety and inserting the following new
paragraph IV.C(1) as follows:

Designation and Amount:

(a) 3,400,000 shares of the Preferred Stock are
hereby constituted as a series of the Preferred Stock designated as "Series A
Convertible Preferred Stock" (the "Series A Preferred Stock"); shares of the
Series A Preferred Stock shall rank prior the Common Stock, upon liquidation and
otherwise as specified herein;

(b) 1,400,000 shares of the Preferred Stock are
hereby constituted as "Series A-1 Convertible Preferred Stock" ("Series A-1
Preferred Stock") and 2,000,000 shares of the Series A Preferred Stock are
hereby constituted as "Series A-2 Convertible Preferred Stock" (the "Series A-2
Preferred Stock"). Except as set forth in Section IVC3 and 4 below, the Series
A-1 Preferred Stock and Series A-2 Preferred Stock shall be considered as one
class of Stock and shall have all the same rights, preferences and limitations.

THIRD: This amendment to the Amended and Restated Certificate of
Incorporation was duly adopted by the required majority vote of the Board of
Directors and by the written consent of (i) a majority of the outstanding shares
of all classes of stock of the Corporation voting as one class, and (ii) a

majority of the outstanding shares of the Series A Preferred Stock voting as one class, in accordance with Sections 228 and 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to its Amended and Restated Certificate of Incorporation to be executed by its Vice President and Secretary this 24 day of FEB, 1998.

FREEMARKETS ONLINE, INC.

By: /s/ Sam E. Kinney Jr.

Name: Sam E. Kinney, Jr.

Title: Executive Vice President & Secretary

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CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION

OF

FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets Online, Inc., a Delaware corporation (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Designation, Rights and Preferences of the Series B Convertible Preferred Stock of the Corporation ("Series B Preferred Stock Designation") was filed in the Office of the Secretary of State of Delaware on December 13, 1996 and a certified copy was recorded in the Office of the Recorder of New Castle County, Delaware. There have been no prior amendments to the Series B Preferred Stock Designation.

SECOND: The Series B Preferred Stock Designation is hereby amended as follows:

A: By striking paragraph 1 in its entirety and inserting the following new paragraph 1 as follows:

Designation and Amount. 1,200,000 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the

Preferred Stock designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock"); shares of the Series B Preferred Stock shall rank prior to the Company's common stock, par value \$.01 per share ("Common Stock") with respect to the payment of dividends and upon liquidation and otherwise as specified herein.

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THIRD: This amendment to the Series B Preferred Stock Designation was duly adopted by the required majority vote of the Board of Directors and by the written consent of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series B Preferred Stock voting as one class, in accordance with Sections 228 and 242 of the Delaware General Corporation Law.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to its Series B Preferred Stock Designation to be executed by its Vice President and Secretary this 24 day of FEB, 1998.

FREEMARKETS ONLINE, INC.

By: /s/ Sam E. Kinney, Jr.

Name: Sam E. Kinney Jr.

Title: Executive Vice President & Secretary

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CERTIFICATE OF DESIGNATION, RIGHTS AND PREFERENCES
OF THE SERIES C CONVERTIBLE PREFERRED STOCK
OF FREEMARKETS ONLINE, INC.

Pursuant to Section 151
of the Delaware General Corporation Law

The undersigned, Secretary and President, respectively, of FreeMarkets OnLine, Inc., a Delaware corporation (the "Corporation"), certify that pursuant to authority granted to and vested in the Board of Directors (the "Board of Directors") of the Corporation by the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as amended (the "Certificate of Incorporation"), on February 26, 1999 the Board of Directors adopted the following resolution creating a series of Preferred Stock of the Corporation designated as the Series C Convertible Preferred Stock and such resolution has not been modified and is in full force and effect on the date hereof:

RESOLVED, that pursuant to authority expressly granted to and vested in

the Board of Directors by the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as amended, the Board of Directors hereby creates a series of Convertible Preferred Stock, par value \$.01 per share, designated as Series C, consisting of shares of Preferred Stock, and authorizes the issuance thereof, and hereby fixes the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereon as follows:

Series C Convertible Preferred Stock

1. Designation and Amount. 768,693 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the Preferred Stock designated as "Series C Convertible Preferred Stock" (the "Series C Preferred Stock"); shares of the Series C Preferred Stock shall rank prior to the Corporation's common stock, par value \$.01 per share ("Common Stock") and the Corporation's Series B Convertible Preferred Stock, par value \$.01 per share ("Series B Preferred Stock"), and shall rank on parity with the shares of the Corporation's Series A Convertible Preferred Stock, par value \$.01 per share ("Series A Preferred Stock"), with respect to the payment of dividends and upon liquidation and otherwise as specified herein.

2. Dividends.

(a) Dividends on Other Stock. The holders of Series C Preferred Stock (the "Series C Holders") shall be entitled to receive such dividends as may be declared by the Board of

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Directors. So long as any of the Series C Preferred Stock is outstanding, (i) no dividends shall be declared or paid on any other preferred stock now existing or hereafter created ("Preferred Stock") ranking on a parity as to dividends with Series C Preferred Stock unless an identical dividend (as adjusted pursuant to Section 3(d)) is paid on the Series C Preferred Stock and (ii) no dividends shall be declared or paid on any Preferred Stock ranking junior to the Series C Preferred Stock (including, without limitation, the Corporation's Series B Preferred Stock) or on any Common Stock unless an identical or greater dividend is declared and paid on the Series C Preferred Stock outstanding. Any dividend declared on the Series C Preferred Stock shall be non-cumulative.

(b) Dividends Not Paid in Full. When dividends are not paid in full upon shares of Series C Preferred Stock and any other Preferred Stock ranking on a parity as to dividends with the Series C Preferred Stock, all dividends paid upon shares of Series C Preferred Stock and such other Preferred Stock shall be paid pro rata so that the amount of dividends paid per share on the Series C Preferred Stock and such other Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the shares of Series C Preferred Stock and such other Preferred Stock bear to each other.

3. Conversion Rights. The Series C Holders shall have conversion rights as follows:

(a) Optional Conversion. Each share of Series C Preferred Stock shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the date of issuance of such share (subject to compliance with Section 3(c) of this

Article), into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the Initial Conversion Price for such share (as hereinafter defined) by the Conversion Price (as hereinafter defined) in effect at the time of conversion. The "Initial Conversion Price" for each share of Series C Preferred Stock shall be \$14.31. The "Conversion Price" for each share shall initially be the Initial Conversion Price, subject to adjustment in the manner provided in Section 3(d) of this Article.

(b) Automatic Conversion. Each share of Series C Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon the earlier of (i) immediately prior to the closing of an underwritten public offering (a "Qualified Public Offering") pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale to the public of Common Stock for an aggregate consideration of at least \$30,000,000 and a per share price to the public of at least two times the per share price (on an as-converted basis calculated as of the closing of the Qualified Public Offering) paid for each share of the Series C Preferred Stock upon the issuance thereof or (ii) the date specified by vote or written consent or agreement of the holders of at least a majority of the outstanding shares of Series C Preferred Stock (a "Qualified Election"). Each Series C Holder immediately prior to such automatic conversion shall be entitled to all dividends which

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have accrued pursuant to Section 2 of this Article on the Series C Preferred Stock up to the time of the automatic conversion. Such dividends shall be paid to all such holders by the issuance of Common Stock at the then effective Conversion Price on the date of automatic conversion.

(c) Mechanics of Conversion.

(i) No fractional shares of Common Stock shall be issued upon conversion of the Series C Preferred Stock. In calculating the number of shares of Common Stock that a Series C Holder shall be entitled to receive upon conversion, the Corporation shall round any fractional number determined by such calculation upwards or downwards to the nearest whole number.

(ii) Before any Series C Holder shall be entitled to convert the same into shares of Common Stock pursuant to Section 3(a) of this Article, he shall (a) give prior written notice to the Corporation, at the office of the Corporation, that he elects to convert the same and shall state therein the number of shares to be converted and the name(s) (with addresses)) in which he wishes the certificate(s) for shares of Common Stock (and any Series C Preferred Stock which is not being converted) to be issued and (b) surrender to the Corporation, at the office of the Corporation, the Series C Preferred Stock certificate(s), duly endorsed. As soon as practicable thereafter, the Corporation shall issue and deliver at such office to such Series C Holder, or to his nominee(s), a certificate(s) for the number of shares of Common Stock (together with a certificate(s) for any Series C Preferred Stock which was not converted) to which he shall be entitled upon such conversion. Such conversion shall be deemed to have become effective immediately prior to the close of business on the date of such surrender of the shares of Series C Preferred Stock to be converted, the Conversion Price shall be determined as of such date and

the person(s) entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(iii) Promptly after a Qualified Election or the closing of a Qualified Public Offering, the Corporation shall give each Series C Holder a written notice specifying the date of such Qualified Election or closing of a Qualified Public Offering and the applicable Conversion Price and calling upon such holder to surrender to the Corporation, in the manner and at the place specified therein, the certificate(s) representing his shares of Series C Preferred Stock. From and after receipt of such notice, each Series C Holder shall have the right to have a certificate(s) for the number of shares of Common Stock to which he is entitled upon such conversion issued to him or to his nominee(s) upon surrender of his certificate(s) for Series C Preferred Stock at the place and in the manner specified in such notice (and, in the case of a certificate(s) to be issued to his nominee(s), upon written notice to the Corporation of the name(s) and address(es) of such nominee(s)). Such conversion shall be deemed to have become effective immediately prior to the date of the Qualified Election or the closing of such Qualified Public Offering, the Conversion Price shall be determined as of such date and time and the person(s) entitled to

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receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder(s) of such shares of Common Stock as of such date and time or, if the stock transfer books of the Corporation are closed on such date, as of the next succeeding date on which such books are open.

(d) Adjustment to Conversion Price.

(i) Adjustment Upon Stock Dividends, Splits, Etc. If the Corporation shall at any time (A) pay a dividend, or make a distribution, in shares of its Common Stock or securities convertible into or exchangeable or exercisable for shares of its Common Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares by means of a stock split or otherwise or (C) combine its outstanding shares of Common Stock into a smaller number of shares, the applicable Conversion Price in effect immediately prior thereto shall be adjusted so that the holder of a share of Series C Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive after the happening of such event had such share of Series C Preferred Stock been converted immediately prior to such record date.

(ii) Adjustment Upon Issuance of Common Stock. If the Corporation shall at any time issue or sell (or pursuant to clause (iii) below, be deemed to have issued or sold) any shares of its Common Stock in a private placement for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or sale, then upon such issuance or sale, the Conversion Price shall be reduced to the price (calculated to the nearest one-hundredth of a cent) determined by dividing (A) the aggregate consideration received by the Corporation upon such issuance or sale by (B) the number of

additional shares of Common Stock so issued or sold.

(iii) Treatment of Convertible Securities. If the Corporation shall grant, issue (whether directly or by assumption in a merger or otherwise) or sell any security, obligation, option, warrant or other right which directly or indirectly may be converted into, exchanged or exercised for or satisfied in shares of Common Stock (such securities and other rights being hereinafter referred to as "Convertible Securities," and any such conversion, exchange, exercise or satisfaction being hereinafter referred to as a "conversion"), whether or not the right to effect a conversion thereunder is immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion (determined by dividing (A) the total amount received or receivable by the Corporation as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration payable to the Corporation upon the conversion thereof, by (B) the total maximum number of shares of Common Stock issuable upon the conversion of all such Convertible Securities) shall be less than the Conversion Price in effect immediately prior to such grant, issuance or sale, then for purposes of making the calculation in clause (ii) above, the total maximum number of shares of

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Common Stock issuable upon conversion of all such Convertible Securities shall (as of the date of the grant, issuance or sale of such Convertible Securities) be deemed to be outstanding and to have been issued for such price per share. No further adjustments of the Conversion Price shall be made upon the issuance of such Common Stock upon conversion of such Convertible Securities.

(iv) Adjustment Required by Adjustments to Convertible Securities. If the purchase price provided for in any Convertible Securities, the additional consideration payable upon conversion of any Convertible Securities or the rate at which any Convertible Securities are convertible into Common Stock shall change at any time (other than pursuant to anti-dilution provisions), then the Conversion Price in effect on the date of such change shall be readjusted to the Conversion Price which would have been in effect at such time had such Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold.

(v) Treatment of Expired or Unexercised Convertible Securities. If and to the extent that rights of conversion of Convertible Securities shall expire or terminate without exercise, the Conversion Price in effect on the date of such expiration or termination shall be readjusted to the Conversion Price that would have been in effect at such time had such rights never existed, and the Common Stock theretofore issuable upon conversion of such expired or terminated rights shall no longer be deemed to be outstanding.

(vi) Calculation of Consideration. In case of a grant, issuance or sale of Common Stock or Convertible Securities solely for cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above, the value of the consideration received or receivable by the Corporation shall be deemed to be the amount of cash received or receivable by the Corporation therefor. In the case of any grant, issuance or sale of Common Stock or Convertible Securities for a consideration other than cash or a consideration part of which shall be

other than cash, for the purpose of any computation under clauses (ii), (iii) or (iv) above the value of the consideration other than cash received or receivable by the Corporation shall be deemed to be the fair market value of such consideration as determined in good faith by the Board of Directors.

(vii) Determination of Outstanding Shares. For the purpose of any computations under clauses (ii), (iii) or (iv) above, the number of shares of Common Stock outstanding at any given time shall include the number of shares of Common Stock actually outstanding at such time plus all shares of Common Stock which are deemed to be outstanding pursuant to clause (iii) above, but shall not include shares owned or held by or for the account of the Corporation.

(viii) Exceptions. The provisions of clauses (i), (ii) and (iii) above shall not apply to (A) shares of Common Stock issued or issuable upon the exercise of stock options or purchase rights or warrants granted by the Corporation from time to time to any of the Corporation's directors, officers, employees or consultants in plans approved by the Board of Directors, (B) the

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reissuance of securities previously purchased by the Corporation from any of its employees to any successor, replacement or other employee, or (C) securities of the Corporation issued or sold to the public pursuant to an offering registered under the Securities Act of 1933, as amended.

(ix) Adjustment Upon Merger, Etc. In the event of (A) any reclassification or change of outstanding shares of Common Stock issuable upon conversion of the Series C Preferred Stock, (B) any consolidation, merger or similar combination to which the Corporation is a party (other than a consolidation or merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding shares of Series C Preferred Stock or Common Stock), (C) any conveyance or leasing of all or substantially all of the assets of the Corporation to another entity or (D) any recapitalization or reorganization of the Corporation (items (A) through (D) being hereinafter referred to as a "Change in Control"), each Series C Holder shall have the right to receive the same kind and amount of shares of stock and other securities or property (including cash) receivable upon such event by a holder of the number of shares of Common Stock issuable upon conversion of such Series C Preferred Stock immediately prior to such event. If any Series C Preferred Stock is to remain outstanding after any such event, or if, as a result of such event, the Series C Holders are to become the holders of securities which are convertible into common stock of the Corporation or any other corporation, then effective provision shall be made in the instrument effecting or providing for such event such that the holders of such Series C Preferred shares or such other securities shall have the benefit of anti-dilution protection which is substantially similar to that granted by this Section 3(d).

(x) Notice of Adjustment. Whenever any Conversion Price shall be adjusted as provided in this Section 3(d), the Corporation shall promptly prepare a statement stating the adjusted Conversion Price(s) determined as provided herein. Such statement shall show in detail the facts requiring such adjustment and the manner of determining such adjustment, including, if applicable, the method of determining the fair market value of assets. Such statement shall promptly be delivered to each Series C Holder who shall request

the same in writing.

4. Liquidation Rights.

(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up (collectively, a "Liquidation") of the Corporation, the Series C Holders shall be entitled to be paid in preference to holders of the Common Stock, the Series B Preferred Stock or other Preferred Stock junior to the Series C Preferred Stock, out of the assets of the Corporation legally available for distribution to its stockholders, an amount equal to \$14.31 (plus any accrued but unpaid dividends, if any) for each share of Series C Preferred Stock (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series C Holders shall share ratably in such distribution together with holders of Series A Preferred Stock.

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(b) No distribution in Liquidation shall be made to the holders of any shares of Common Stock, Series B Preferred Stock or other Preferred Stock junior to the Series C Preferred Stock unless, prior thereto, Series C Holders receive their full Liquidation Preference in accordance with the terms of Section 4(a) of this Article. Following the payment of the full amount of the Liquidation Preference to the Series C Holders no additional distributions shall be made to such holders.

(c) A merger or consolidation of the Corporation with or into any other corporation (other than a consolidation or merger in which the Corporation is the surviving corporation and which does not result in any reclassification of, or other change in, outstanding Shares of Series C Preferred Stock), or a share exchange or the sale or conveyance of substantially all of the assets of the Corporation, shall be deemed to be a Liquidation of the Corporation within the meaning of this Section 4.

5. Voting Rights. Series C Holders shall be entitled to vote on all matters on which Holders of the Common Stock are entitled to vote and, except as otherwise provided in this Certificate of Incorporation or as required by law, the Common Stock and the Series C Preferred Stock shall vote together as one class. Each share of Series C Preferred Stock shall entitle the holder thereof to such number of votes per share on all matters on which they are entitled to vote equal to the number of shares of Common Stock (including fractional shares) into which each share of Series C Preferred Stock is then convertible.

6. No Sinking Fund. The shares of Series C Preferred Stock shall not be subject to the benefit of a purchase, retirement or sinking fund.

7. No Implied Limitations. Except as otherwise provided by express provisions of this Certificate of Designation or the Certificate of Incorporation, nothing herein shall limit, by inference or otherwise, the discretionary rights of the Board of Directors to issue Preferred Stock which is pari passu with, or junior to, the Series C Preferred Stock in right of dividend and liquidation preference, but in no event may the Board of Directors cause to be issued Preferred Stock which has rights senior to such rights of the Series C Preferred Stock.

8. General Provisions. In addition to the above provisions with respect to the Series C Preferred Stock, such Series C Preferred Stock shall be subject to and be entitled to the benefit of the provisions set forth in the Corporation's Certificate of Incorporation with respect to Preferred Stock generally.

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WITNESS the due execution hereof this 8th day of April, 1999.

FREEMARKETS ONLINE, INC.

By: /s/ Sam E. Kinney, Jr.

By: /s/ Glen T. Meakem

Sam E. Kinney, Jr.
Title: Secretary

Glen T. Meakem
Title: President

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CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED

OF

FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets OnLine, Inc., a Delaware corporation (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Incorporation of the Corporation was filed in the Office of the Secretary of State of Delaware on March 13, 1995, and a certified copy was recorded in the Office of the Recorder of New Castle County, Delaware. The Certificate of Incorporation was amended on March 22, 1995, was Amended and Restated on March 29, 1996 and was further amended on

February 26, 1998.

SECOND: The Amended and Restated Certificate of Incorporation, as amended, is hereby further amended as follows:

A: By striking paragraph IV.A of the Amended and Restated Certificate of Incorporation, as amended, in its entirety and inserting the following new paragraph IV.A as follows:

Classes of Stock. The total number of shares of stock which the Corporation shall have the authority to issue is 250,000,000; of such shares, the number of common shares which the Corporation shall have the authority to issue is 200,000,000, par value \$.01 per share ("Common Stock"), and the number of preferred shares which the Corporation shall have the authority to issue is 50,000,000, par value \$.01 per share ("Preferred Stock").

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B: By striking paragraph IV.C(1) of the Amended and Restated Certificate of Incorporation, as amended, in its entirety and inserting the following new paragraph IV.C(1) as follows:

Designation and Amount.

(a) 13,600,000 shares of the Preferred Stock are hereby constituted as a series of the Preferred Stock designated as "Series A Convertible Preferred Stock" (the "Series A Preferred Stock"); shares of the Series A Preferred Stock shall rank prior the Common Stock, upon liquidation and otherwise as specified herein;

(b) 5,600,000 shares of the Preferred Stock are hereby constituted as "Series A-1 Convertible Preferred Stock" (the "Series A-1 Preferred Stock"), and 8,000,000 shares of the Series A Preferred Stock are hereby constituted as "Series A-2 Convertible Preferred Stock" (the "Series A-2 Preferred Stock"). Except as set forth in Section IV.C.3 and IV.C.4 below, the Series A-1 Preferred Stock and Series A-2 Preferred Stock shall be considered as one class of Stock and shall have all the same rights, preferences and limitations.

THIRD: This amendment to the Amended and Restated Certificate of Incorporation was duly adopted by the required majority vote of the Board of Directors and by the vote of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series A Preferred Stock voting as one class, in accordance with Section 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this

Certificate of Amendment to its Amended and Restated Certificate of Incorporation, as amended, to be executed by its President this 30th day of June, 1999.

FREEMARKETS ONLINE, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem
Title: President

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CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF
SERIES B CONVERTIBLE PREFERRED STOCK, AS AMENDED

OF

FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets OnLine, Inc., a Delaware corporation (the
"Corporation"), hereby certifies as follows:

FIRST: The Certificate of Designation, Rights and Preferences of the Series B Convertible Preferred Stock of the Corporation ("Series B Preferred Stock Designation") was filed in the Office of the Secretary of State of Delaware on December 30, 1996, and a certified copy was recorded in the Office of the Recorder of New Castle County, Delaware. The Series B Preferred Stock Designation was amended on February 26, 1998.

SECOND: The Series B Preferred Stock Designation, as amended, is hereby further amended as follows:

A: By striking paragraph 1 in its entirety and inserting the following new paragraph 1 as follows:

Designation and Amount. 4,800,000 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the Preferred Stock designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock"); shares of the Series B Preferred Stock shall rank

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prior to the Company's common stock, par value \$.01 per share ("Common Stock"),

with respect to the payment of dividends and upon liquidation and otherwise as specified herein.

THIRD: This amendment to the Series B Preferred Stock Designation was duly adopted by the required majority vote of the Board of Directors and by the vote of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series B Preferred Stock voting as one class, in accordance with Section 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to its Series B Preferred Stock Designation, as amended, to be executed by its President this 30th day of June, 1999.

FREEMARKETS ONLINE, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem
Title: President

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CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF
SERIES C CONVERTIBLE PREFERRED STOCK

OF

FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets OnLine, Inc., a Delaware corporation (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Designation, Rights and Preferences of the Series C Convertible Preferred Stock of the Corporation ("Series C Preferred Stock Designation") was filed in the Office of the Secretary of State of Delaware on April 9, 1999, and a certified copy was recorded in the Office of the Recorder of New Castle County, Delaware. The Series C Preferred Stock Designation has never been amended.

SECOND: The Series C Preferred Stock Designation is hereby amended as follows:

A: By striking paragraph 1 in its entirety and inserting the following new paragraph 1 as follows:

Designation and Amount. 3,074,772 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the Preferred Stock designated as "Series C Convertible Preferred Stock" (the "Series C Preferred Stock"); shares of the Series C Preferred Stock shall rank prior to the Corporation's common stock, par value \$.01 per share ("Common Stock"), and the Corporation's Series B Preferred Stock, par value \$.01 per share ("Series B Preferred Stock"), and

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shall rank on parity with the shares of the Corporation's Series A Convertible Preferred Stock, par value \$.01 per share ("Series A Preferred Stock"), with respect to the payment of dividends and upon liquidation and otherwise as specified herein.

THIRD: This amendment to the Series C Preferred Stock Designation was duly adopted by the required majority vote of the Board of Directors and by the vote of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series C Preferred Stock voting as one class, in accordance with Section 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to its Series C Preferred Stock Designation to be executed by its President this 30th day of June, 1999.

FREEMARKETS ONLINE, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem

Title: President

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CERTIFICATE OF AMENDMENT
TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED
OF
FREEMARKETS ONLINE, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets OnLine, Inc., a Delaware corporation (the "Corporation"),
hereby certifies as follows:

FIRST: The Certificate of Incorporation of the Corporation was filed in
the Office of the Secretary of State of Delaware on March 13, 1995, and a
certified copy was recorded in the Office of the Recorder of New Castle County,
Delaware. The Certificate of Incorporation was amended on March 22, 1995, was
amended and restated on March 29, 1996, was amended on February 26, 1998, and
was further amended on June 30, 1999 (as so amended, the "Certificate of
Incorporation").

SECOND: The Certificate of Incorporation is hereby further amended by
deleting Paragraph I thereof in its entirety and inserting in its place the
following new Paragraph I:

"I. NAME: The name of the Corporation is FreeMarkets, Inc."

THIRD: This amendment to the Certificate of Incorporation was duly
adopted by the unanimous written consent of the Board of Directors and by the
written consent of a majority of the outstanding shares of all classes of stock
of the Corporation voting together as one class in accordance with Sections
141(f), 228 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of
Amendment to its Amended and Restated Certificate of Incorporation, As Amended,
to be executed by its President this 26th day of August, 1999.

FREEMARKETS ONLINE, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem

Title: President

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CERTIFICATE OF AMENDMENT

TO

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED

OF

FREEMARKETS, INC.

Pursuant to Section 242 of the Delaware

General Corporation Law

FreeMarkets, Inc., a Delaware corporation formerly known as FreeMarkets OnLine, Inc. (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Incorporation of the Corporation was filed in the Office of the Secretary of State of Delaware on March 13, 1995, and a certified copy was recorded in the Office of the Recorder of New Castle County, Delaware. The Certificate of Incorporation was amended on March 22, 1995, was amended and restated on March 29, 1996, was amended on February 26, 1998, was amended on June 30, 1999, and was further amended on August 30, 1999 (as amended, the "Amended and Restated Certificate of Incorporation").

SECOND: The Amended and Restated Certificate of Incorporation is hereby further amended by deleting Paragraph IV.C.3(d)(i) thereof in its entirety and inserting in its place the following new Paragraph IV.C.3(d)(i):

"(i) Adjustment Upon Stock Dividends, Splits, Etc. If the Corporation shall at any time (A) pay a dividend on its Common Stock in shares of its Common Stock or securities convertible into or exchangeable or exercisable for shares of its Common Stock without a corresponding dividend on the Series A Preferred Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares by means of a stock split or otherwise without a corresponding subdivision of its outstanding shares of Series A Preferred Stock or (C) combine its outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of its

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outstanding shares of Series A Preferred Stock, the applicable Conversion Price with respect to the Series A-1 Preferred Stock and/or the Series A-2 Preferred Stock, as the case may be, in effect immediately prior thereto shall be adjusted so that the holder of a share of Series A-1 Preferred Stock and/or Series A-2 Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive after the happening of such event had such share of Series A-1 Preferred Stock and/or Series A-2 Preferred Stock been converted immediately prior to such record date."

THIRD: The Amended and Restated Certificate of Incorporation is hereby further amended by adding a new subsection (D) to the end of Paragraph IV.C.3.(d)(viii) as follows:

"or (D) warrants for up to 304,431 shares of Series D Convertible Preferred Stock issued to United Technologies Corporation or any direct or indirect wholly owned subsidiary thereof, or Convertible Securities or Common Stock issued or

issuable pursuant to the exercise of such warrants or the conversion of any Convertible Securities issuable thereunder."

FOURTH: The Amended and Restated Certificate of Incorporation is hereby further amended by deleting Paragraph IV.C.4(a) thereof in its entirety and inserting in its place the following new Paragraph IV.C.4(a):

"(a) In the event of any voluntary or involuntary liquidation, dissolution or winding-up (collectively, a "Liquidation") of the Corporation, the Series A holders shall be entitled to be paid, in preference to holders of junior Preferred Stock and the Common Stock and out of the assets of the Corporation legally available for distribution to its stockholders, the following price per share in cash: (x) \$255 for each share of Series A-1 Preferred Stock, and (y) the Initial Conversion Price for each share of Series A-2 Preferred Stock, as adjusted in each case to reflect any dividends, subdivisions or combinations as to such shares (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series A holders shall share ratably in such distribution together with holders of Series C Preferred Stock and holders of Series D Preferred Stock."

FIFTH: These amendments to the Amended and Restated Certificate of Incorporation were duly adopted by the Board of Directors and by the written consent of (i) a

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majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series A Preferred Stock voting as one class, in accordance with Sections 228 and 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to Amended and Restated Certificate of Incorporation, As Amended, to be executed by its President this 2nd day of September, 1999.

FREEMARKETS, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem

Title: President

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CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF
SERIES B CONVERTIBLE PREFERRED STOCK, AS AMENDED

OF

FREEMARKETS, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets, Inc., a Delaware corporation formerly known as
FreeMarkets OnLine, Inc. (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Designation, Rights and Preferences
of the Series B Convertible Preferred Stock of the Corporation ("Series B
Preferred Stock Designation") was filed in the Office of the Secretary of State
of Delaware on December 30, 1996, and a certified copy was recorded in the
Office of the Recorder of New Castle County, Delaware. The Series B Preferred
Stock Designation was amended on February 26, 1998 and was further amended on
June 30, 1999.

SECOND: The Series B Preferred Stock Designation, as amended,
is hereby further amended by deleting Paragraph 3(d)(i) thereof in its entirety
and inserting in its place the following new Paragraph 3(d)(i):

"(i) Adjustment Upon Stock Dividends, Splits, Etc. If the
Corporation shall at any time (A) pay a dividend on its Common
Stock in shares of its Common Stock or securities convertible
into or exchangeable or exercisable for shares of its Common
Stock without a corresponding dividend on the Series B
Preferred Stock, (B) subdivide its outstanding shares of
Common Stock into a greater number of shares by means of a
stock split or otherwise without a corresponding subdivision
of its outstanding shares of Series B Preferred Stock, or (C)
combine its outstanding shares of Common Stock into a smaller
number of shares without

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a corresponding combination of its outstanding shares of Series B Preferred Stock, the Conversion Price in effect immediately prior thereto shall be adjusted so that the holder of a share of Series B Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive after the happening of such event had such share of Series B Preferred Stock been converted immediately prior to such record date."

THIRD: The Series B Preferred Stock Designation, as amended, is hereby further amended by adding a new subsection (D) to the end of Paragraph 3(d)(viii) as follows:

"or (D) warrants for up to 304,431 shares of Series D Convertible Preferred Stock issued to United Technologies Corporation or any direct or indirect wholly owned subsidiary thereof, or Convertible Securities or Common Stock issued or issuable pursuant to the exercise of such warrants or the conversion of any Convertible Securities issuable thereunder."

FOURTH: The Series B Preferred Stock Designation, as amended, is hereby further amended by deleting Paragraph 4(a) thereof in its entirety and inserting in its place the following new Paragraph 4(a):

"(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up (collectively, a "Liquidation") of the Corporation, the Series B Holders shall be entitled to be paid, after distribution is made to the Series A Preferred Stock, the Series C Preferred Stock and the Series D Preferred Stock, but in preference to holders of junior Preferred Stock and the Common Stock, out of the assets of the Corporation legally available for distribution to its stockholders, an amount equal to \$325 for each share of Series B Preferred Stock, as adjusted to reflect any dividends, subdivisions or combinations as to such shares (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series B Holders shall share ratably in such distribution."

FIFTH: The Series B Preferred Stock Designation, as amended, is hereby further amended by adding the following words to the end of Paragraph 7 as follows:

"other than the Series C Convertible Preferred Stock of the Corporation and the Series D Convertible Preferred Stock of the Corporation."

SIXTH: These amendments to the Series B Preferred Stock Designation, as amended, were duly adopted by the Board of Directors and by the written consent of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series B Preferred Stock voting as one class, in accordance with Sections 228 and 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to Certificate of Designation of Series B Convertible Preferred Stock, As Amended, to be executed by its President this 2nd day of September, 1999.

FREEMARKETS, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem

Title: President

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CERTIFICATE OF AMENDMENT

TO

CERTIFICATE OF DESIGNATION OF
SERIES C CONVERTIBLE PREFERRED STOCK, AS AMENDED

OF

FREEMARKETS, INC.

Pursuant to Section 242 of the Delaware
General Corporation Law

FreeMarkets, Inc., a Delaware corporation formerly known as FreeMarkets OnLine, Inc. (the "Corporation"), hereby certifies as follows:

FIRST: The Certificate of Designation, Rights and Preferences of the Series C Convertible Preferred Stock of the Corporation ("Series C Preferred Stock Designation") was filed in the Office of the Secretary of State of Delaware on April 9, 1999, and a certified copy was recorded in the Office of

the Recorder of New Castle County, Delaware. The Series C Preferred Stock Designation was amended on June 30, 1999.

SECOND: The Series C Preferred Stock Designation, as amended, is hereby further amended by deleting Paragraph 3(b) thereof in its entirety and inserting in its place the following new Paragraph 3(b):

"(b) Automatic Conversion. Each share of Series C Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price upon the earlier of (i) immediately prior to the closing of an underwritten public offering (a "Qualified Public Offering") pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale to the public of Common Stock for an aggregate consideration of at least \$30,000,000 and a per share price to the public equal to at least two times the per share price of \$14.31 (as adjusted for any stock split, stock dividend, combination or similar recapitalization change), or (ii) the date specified by vote or written

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consent or agreement of the holders of at least a majority of the outstanding shares of Series C Preferred Stock (a "Qualified Election"). Each Series C Holder immediately prior to such automatic conversion shall be entitled to all dividends which have accrued pursuant to Section 2 of this Article on the Series C Preferred Stock up to the time of the automatic conversion. Such dividends shall be paid to all such holders by the issuance of Common Stock at the then effective Conversion Price on the date of automatic conversion."

THIRD: The Series C Preferred Stock Designation, as amended, is hereby further amended by deleting Paragraph 3(d)(i) thereof in its entirety and inserting in its place the following new Paragraph 3(d)(i):

"(i) Adjustment Upon Stock Dividends, Splits, Etc. If the Corporation shall at any time (A) pay a dividend on its Common Stock in shares of its Common Stock or securities convertible into or exchangeable or exercisable for shares of its Common Stock without a corresponding dividend on the Series C Preferred Stock, (B) subdivide its outstanding shares of Common Stock into a greater number of shares by means of a stock split or otherwise without a corresponding subdivision of its outstanding shares of Series C Preferred Stock, or (C) combine its outstanding shares of Common Stock into a smaller number of shares without a corresponding combination of its outstanding shares of Series C Preferred Stock, the applicable Conversion Price in effect immediately prior thereto shall be adjusted so that the holder of a share of Series C Preferred Stock surrendered for conversion after the record date fixing shareholders to be affected by such event shall be entitled to receive upon conversion the number of such shares of Common Stock which such holder would have been entitled to receive

after the happening of such event had such share of Series C Preferred Stock been converted immediately prior to such record date."

FOURTH: The Series C Preferred Stock Designation, as amended, is hereby further amended by adding a new subsection (D) to the end of Paragraph 3(d)(viii) as follows:

"or (D) warrants for up to 304,431 shares of Series D Convertible Preferred Stock issued to United Technologies Corporation or any direct or indirect wholly owned subsidiary thereof, or Convertible Securities or Common Stock issued or issuable pursuant to the exercise of such warrants or the conversion of any Convertible Securities issuable thereunder."

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FIFTH: The Series C Preferred Stock Designation, as amended, is hereby further amended by deleting Paragraph 4(a) thereof in its entirety and inserting in its place the following new Paragraph 4(a):

"(a) In the event of any voluntary or involuntary liquidation, dissolution or winding up (collectively, a "Liquidation") of the Corporation, the Series C Holders shall be entitled to be paid in preference to holders of the Common Stock, the Series B Preferred Stock or other Preferred Stock junior to the Series C Preferred Stock, out of the assets of the Corporation legally available for distribution to its stockholders, an amount equal to \$14.31 (plus any accrued but unpaid dividends, if any) for each share of Series C Preferred Stock, as adjusted to reflect any dividends, subdivisions or combinations as to such shares (such amounts being referred to as the "Liquidation Preference"). If the assets of the Corporation are not sufficient to pay in full the Liquidation Preference, the Series C Holders shall share ratably in such distribution together with holders of Series A Preferred Stock and holders of Series D Preferred Stock."

SIXTH: These amendments to the Series C Preferred Stock Designation were duly adopted by the Board of Directors and by the written consent of (i) a majority of the outstanding shares of all classes of stock of the Corporation voting as one class, and (ii) a majority of the outstanding shares of the Series C Preferred Stock voting as one class, in accordance with Sections 228 and 242 of the Delaware General Corporation Law.

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IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to Certificate of Designation of Series C Convertible Preferred Stock, As Amended to be executed by its President this 2nd day of September, 1999.

FREEMARKETS, INC.

By: /s/ Glen T. Meakem

Name: Glen T. Meakem

Title: President

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CERTIFICATE OF DESIGNATION, RIGHTS AND PREFERENCES
OF THE SERIES D CONVERTIBLE PREFERRED STOCK
OF FREEMARKETS, INC.

Pursuant to Section 151
of the Delaware General Corporation Law

The undersigned, Secretary and President, respectively, of FreeMarkets, Inc., a Delaware corporation formerly known as FreeMarkets OnLine, Inc. (the "Corporation"), certify that pursuant to authority granted to and vested in the Board of Directors (the "Board of Directors") of the Corporation by the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as amended (the "Certificate of Incorporation"), on July 22, 1999 the Board of Directors adopted the following resolution creating a series of Preferred Stock of the Corporation designated as the Series D Convertible Preferred Stock and such resolution has not been modified and is in full force and effect on the date hereof:

RESOLVED, that pursuant to authority expressly granted to and vested in the Board of Directors by the provisions of the Amended and Restated Certificate of Incorporation of the Corporation, as amended, the Board of Directors hereby creates a series of Convertible Preferred Stock, par value \$.01 per share, designated as Series D, consisting of shares of Preferred Stock, and authorizes the issuance thereof, and hereby fixes the designation and amount thereof and the voting powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereon as follows:

Series D Convertible Preferred Stock

1. Designation and Amount. 2,362,204 shares of the Preferred Stock, par value \$.01 per share, are hereby constituted as a series of the Preferred Stock designated as "Series D Convertible Preferred Stock" (the "Series D Preferred

Document Types (con't)

*- Document type can include an optional suffix consisting of a
 "." & free text up to total document type length of 20
 characters.

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APPENDIX F

Document Types

Only Public documents are disseminated.

10-12B	24F-1	ARS
10-12B/A	24F-2EL	AW
10-12G	24F-2EL/A	DEF 14A
10-12G/A	24F-2NT	DEF 14C
10-C	24F-2NT/A	DEF13E3
10-C/A	24F-2TM	DEF13E3/A
10-K	24F-2TM/A	DEFA14A
10-K/A	24F-3NT	DEFA14C
10-K405	24F-3NT/A	DEFC14A
10-K405/A	305B2	DEFC14C
10-KT	305B2/A	DEFM14A
10-KT/A	35-APP	DEFM14C
10-Q	35-APP/A	DEFN14A
10-Q/A	35-CERT	DEFR14A
10-QT	35-CERT/A	DEFR14C
10-QT/A	424A	DEFS14A
10KSB	424B1	DEFS14C
10KSB/A	424B2	DEL AM
10KSB40	424B3	DFAN14A
10KSB40/A	424B4	DFRN14A
10KT405	424B5	EX-1*
10KT405/A	45B-3	EX-10*
10QSB	45B-3/A	EX-11*
10QSB/A	485A24E	EX-12*
10SB12B	485A24F	EX-13*
10SB12B/A	485APOS	EX-14*
10SB12G	485B24E	EX-15*
10SB12G/A	485B24F	EX-16*
11-K	485BPOS	EX-17*
11-K/A	486A24E	EX-18*
11-KT	486A24F	EX-19*
11-KT/A	486APOS	EX-2*
13F-E	486B24E	EX-20*
13F-E/A	486B24F	EX-21*
15-12B	486BPOS	EX-22*
15-12B/A	487	EX-23*
15-12G	497	EX-24*
15-12G/A	497J	EX-25*
15-15D	6-K	EX-25/A*
15-15D/A	6-K/A	EX-26*
18-12B	8-A12B	EX-27*
18-12B/A	8-A12B/A	EX-28*
18-12G	8-A12G	EX-29*
18-12G/A	8-A12G/A	EX-3*
18-K	8-B12B	EX-4*
18-K/A	8-B12B/A	EX-5*

2-E	8-B12G	EX-6*
2-E/A	8-B12G/A	EX-7*
20-F	8-K	EX-8*
20-F/A	8-K/A	EX-9*
20FR12B	8-K12G3	EX-99*
20FR12B/A	8-K12G3/A	F-1
20FR12G	8-K15D5	F-1/A
20FR12G/A	8-K15D5/A	F-2
F-2/A	N-6F/A	PREN14A
F-2D	N-8A	PRER14A
F-2D/A	N-8A/A	PRER14C
F-2DPOS	N-8B-2	PRES14A
F-3	N-8B-2/A	PRES14C
F-3/A	N-8B-3	PRRN14A
F-3D	N-8B-3/A	PX14A6G
F-3D/A	N-8B-4	RW
F-3DPOS	N-8B-4/A	S-1
F-4	N14AE24	S-1/A
F-4/A	N14AE24/A	S-11
F-6	N14EL24	S-11/A
F-6 POS	N14EL24/A	S-2
F-6/A	NSAR-A	S-2/A
F-6EF	NSAR-A/A	S-20
F-6EF/A	NSAR-AT	S-20/A
N-1	NSAR-AT/A	S-3
N-1/A	NSAR-B	S-3/A
N-14	NSAR-B/A	S-3D
N-14/A	NSAR-BT	S-3D/A
N-14AE	NSAR-BT/A	S-3DPOS
N-14AE/A	NSAR-U	S-4
N-18F1	NSAR-U/A	S-4 POS
N-18F1/A	NT 10-K	S-4/A
N-1A	NT 10-K/A	S-4EF
N-1A EL	NT 10-Q	S-4EF/A
N-1A EL/A	NT 10-Q/A	S-6
N-1A/A	NT 11-K	S-6/A
N-2	NT 11-K/A	S-6EL24
N-2/A	NT 15D2	S-6EL24/A
N-23C-1	NT 15D2/A	S-8
N-23C-1/A	NT 20-F	S-8 POS
N-27D-1	NT 20-F/A	S-8/A
N-27D-1/A	NT-NSAR	SB-1
N-3	NT-NSAR/A	SB-1/A
N-3 EL	NTFNSAR	SB-2
N-3 EL/A	NTN 10K	SB-2/A
N-3/A	NTN 10Q	SC 13D
N-30B-2	NTN 11K	SC 13D/A
N-30D	NTN 20F	SC 13E1
N-30D/A	NTN15D2	SC 13E1/A
N-4	POS AM	SC 13E3
N-4 EL	POS AMC	SC 13E3/A
N-4 EL/A	POS AMI	SC 13E4
N-4/A	PRE 14A	SC 13E4/A
N-5	PRE 14C	SC 13G
N-5/A	PRE13E3	SC 13G/A
N-54A	PRE13E3/A	SC 14D1
N-54A/A	PREA14A	SC 14D1/A
N-54C	PREA14C	SC 14D9
N-54C/A	PREC14A	SC 14D9/A
N-6C9	PREC14C	SC 14F1

N-6C9/A	PREM14A	SC 14F1/A
N-6F	PREM14C	SP 15D2
SP 15D2/A		
T-3		
T-3/A		
U-1		
U-1/A		
U-12-IA		
U-12-IA/A		
U-12-IB		
U-12-IB/A		
U-13-1		
U-13-1/A		
U-13-60		
U-13-60/A		
U-13E-1		
U-13E-1/A		
U-33-S		
U-33-S/A		
U-3A-2		
U-3A-2/A		
U-3A3-1		
U-3A3-1/A		
U-57		
U-57/A		
U-6B-2		
U-6B-2/A		
U-7D		
U-7D/A		
U-R-1		
U-R-1/A		
U5A		
U5A/A		
U5B		
U5B/A		
U5S		
U5S/A		
UNDER		
UNDER/A		

Document Types (con't)

*- Document type can include an optional suffix consisting of a "." & free text up to total document type length of 20 characters.

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LEXIS-NEXIS

F-1

APPENDIX F

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10-C	24F-2NT/A	DEF13E3
10-C/A	24F-2TM	DEF13E3/A
10-K	24F-2TM/A	DEFA14A
10-K/A	24F-3NT	DEFA14C
10-K405	24F-3NT/A	DEFC14A
10-K405/A	305B2	DEFC14C
10-KT	305B2/A	DEFM14A
10-KT/A	35-APP	DEFM14C
10-Q	35-APP/A	DEFN14A
10-Q/A	35-CERT	DEFR14A
10-QT	35-CERT/A	DEFR14C
10-QT/A	424A	DEFS14A
10KSB	424B1	DEFS14C
10KSB/A	424B2	DEL AM
10KSB40	424B3	DFAN14A
10KSB40/A	424B4	DFRN14A
10KT405	424B5	EX-1*
10KT405/A	45B-3	EX-10*
10QSB	45B-3/A	EX-11*
10QSB/A	485A24E	EX-12*
10SB12B	485A24F	EX-13*
10SB12B/A	485APOS	EX-14*
10SB12G	485B24E	EX-15*
10SB12G/A	485B24F	EX-16*
11-K	485BPOS	EX-17*
11-K/A	486A24E	EX-18*
11-KT	486A24F	EX-19*
11-KT/A	486APOS	EX-2*
13F-E	486B24E	EX-20*
13F-E/A	486B24F	EX-21*
15-12B	486BPOS	EX-22*
15-12B/A	487	EX-23*
15-12G	497	EX-24*
15-12G/A	497J	EX-25*
15-15D	6-K	EX-25/A*
15-15D/A	6-K/A	EX-26*
18-12B	8-A12B	EX-27*
18-12B/A	8-A12B/A	EX-28*
18-12G	8-A12G	EX-29*
18-12G/A	8-A12G/A	EX-3*
18-K	8-B12B	EX-4*
18-K/A	8-B12B/A	EX-5*

2-E	8-B12G	EX-6*
2-E/A	8-B12G/A	EX-7*
20-F	8-K	EX-8*
20-F/A	8-K/A	EX-9*
20FR12B	8-K12G3	EX-99*
20FR12B/A	8-K12G3/A	F-1
20FR12G	8-K15D5	F-1/A
20FR12G/A	8-K15D5/A	F-2
F-2/A	N-6F/A	PREN14A
F-2D	N-8A	PRER14A
F-2D/A	N-8A/A	PRER14C
F-2DPOS	N-8B-2	PRES14A
F-3	N-8B-2/A	PRES14C
F-3/A	N-8B-3	PRRN14A
F-3D	N-8B-3/A	PX14A6G
F-3D/A	N-8B-4	RW
F-3DPOS	N-8B-4/A	S-1
F-4	N14AE24	S-1/A
F-4/A	N14AE24/A	S-11
F-6	N14EL24	S-11/A
F-6 POS	N14EL24/A	S-2
F-6/A	NSAR-A	S-2/A
F-6EF	NSAR-A/A	S-20
F-6EF/A	NSAR-AT	S-20/A
N-1	NSAR-AT/A	S-3
N-1/A	NSAR-B	S-3/A
N-14	NSAR-B/A	S-3D
N-14/A	NSAR-BT	S-3D/A
N-14AE	NSAR-BT/A	S-3DPOS
N-14AE/A	NSAR-U	S-4
N-18F1	NSAR-U/A	S-4 POS
N-18F1/A	NT 10-K	S-4/A
N-1A	NT 10-K/A	S-4EF
N-1A EL	NT 10-Q	S-4EF/A
N-1A EL/A	NT 10-Q/A	S-6
N-1A/A	NT 11-K	S-6/A
N-2	NT 11-K/A	S-6EL24
N-2/A	NT 15D2	S-6EL24/A
N-23C-1	NT 15D2/A	S-8
N-23C-1/A	NT 20-F	S-8 POS
N-27D-1	NT 20-F/A	S-8/A
N-27D-1/A	NT-NSAR	SB-1
N-3	NT-NSAR/A	SB-1/A
N-3 EL	NTFNSAR	SB-2
N-3 EL/A	NTN 10K	SB-2/A
N-3/A	NTN 10Q	SC 13D
N-30B-2	NTN 11K	SC 13D/A
N-30D	NTN 20F	SC 13E1
N-30D/A	NTN15D2	SC 13E1/A
N-4	POS AM	SC 13E3
N-4 EL	POS AMC	SC 13E3/A
N-4 EL/A	POS AMI	SC 13E4
N-4/A	PRE 14A	SC 13E4/A
N-5	PRE 14C	SC 13G
N-5/A	PRE13E3	SC 13G/A
N-54A	PRE13E3/A	SC 14D1
N-54A/A	PREA14A	SC 14D1/A
N-54C	PREA14C	SC 14D9
N-54C/A	PREC14A	SC 14D9/A
N-6C9	PREC14C	SC 14F1